Journal of the Senate

SIXTIETH DAY

SENATE CHAMBER, TOPEKA, KANSAS
Thursday, April 4, 2024, 10:00 a.m.

The Senate was called to order by President Ty Masterson.

The roll was called with 39 senators present.

Senator Ryckman was excused.

The President introduced guest Chaplain, Pastor Greg Fletcher, to deliver the invocation:

Heavenly Father, we need to give You thanks for the creation You have entrusted those that occupy the seats inside these chamber walls. We ask that You give them what it takes to be the best stewards of that creation. Lord, I pray that the individuals in this room are working together, searching for Your wisdom and find Your guidance, to ensure all decisions made stay in alignment with Your scriptures. Father, bond the relationships in this building and may they be intentional to work in harmony during these times that could be the toughest in the history of our state. Our motto translated says "to the stars through difficulties." I pray that everyone here will look hard at those words along with scripture and figure out how to be inclusive, not divisive.

Please send the Holy Spirit to work inside these chamber walls and give encouragement to all involved that will enable them to make the best and right decisions for this precious part of creation. Please provide help to this group of men and women as they plan and plot to do what is best for the people of Kansas.

Father, as we just concluded a wonderful week of celebrating the sacrifices that You made for us over 2000 years ago, may we be in the same spirit to serve You and find the purposes You have for this part of Kansas government. Please work in the lives and hearts of those that make up this chamber. Give them insight and wisdom to make tough decisions for future generations of this great state. With Your help, they will harmonize and deal with today's issues in a way that glorifies You and lifts this state to a level that will be recognized by others in this great country and around the globe.

Finally, Father, I ask that You be with the families of all members of this chamber. Please wrap Your comforting and protecting arms around them as they are an important part of everyone here today.

Father, I ask all of this in your Son's precious Name, Jesus Christ. Amen.

The Pledge of Allegiance was led by President Masterson.

INTRODUCTION AND CONSIDERATION OF SENATE RESOLUTIONS

Senator Dietrich introduced the following Senate resolution, which was read:

SENATE RESOLUTION **No. 1753—**

A RESOLUTION recognizing Chuck Torrence for his outstanding service to the state of Kansas and congratulating him on his retirement.

WHEREAS, Since January of 1990, Charles "Chuck" Torrence has been dedicated to serving the needs of legislators, support staff and visitors of the Kansas State Capitol; and

WHEREAS, Chuck is very knowledgeable about the history of the Kansas State Capitol, from its origins to present day, and he has assisted with the needs of many throughout its most recent renovation; and

WHEREAS, Whenever legislators or staff needed assistance, they were often told "ask Chuck"; and

WHEREAS, Year after year, Chuck has put in many long hours ahead of the arrival of the legislative body. Each year, Chuck worked tirelessly to have everything ready on time; and

WHEREAS, A tall task Chuck undertook was manually labeling and rearranging the voting boards atop a tall ladder, which Chuck was pictured doing one year in the Topeka Capitol Journal; and

WHEREAS, Chuck's commitment to integrity during his interactions with all staff and conducting legislative business stems from the influence of his father, Elon Torrence, and his sister, Mary Ann Torrence. Elon covered the Kansas Legislature for the Associated Press for many years and Mary Ann is a former Revisor of Statutes; and

WHEREAS, The Torrence legacy of service to the great state of Kansas ends with Chuck as he plans to retire from the Kansas State Legislature in the summer of 2024. Following his retirement, Chuck plans to spend his time golfing, traveling and keeping up with the University of Kansas Jayhawks, alongside his wife, Carol: Now, therefore,

Be it resolved by the Senate of the State of Kansas: That we recognize Chuck Torrence for his outstanding service to legislators, support staff and visitors of the Kansas State Capitol and congratulate him on his well-deserved retirement; and

Be it further resolved: That the Secretary of the Senate shall send two enrolled copies of this resolution to Senator Dietrich.

On emergency motion of Senator Dietrich **SR 1753** was adopted by voice vote.

MESSAGES FROM THE GOVERNOR

SB 331, SB 360, SB 362, SB 381, SB 433, SB 491 approved on April 4, 2024

MESSAGES FROM THE HOUSE

The House adopts the Conference Committee report on **SB 359**.

The House adopts the Conference Committee report on **HB 2481**.

The House adopts the Conference Committee report on **HB 2527**.

The House adopts the Conference Committee report on **HB 2588**.

The House concurs in Senate amendments to **HB 2607**, and requests return of the bill.

The House announced the appointment of Representatives Humphries, Lewis and Osman as conferees on **S Sub HB 2070**

The House announced the appointment of Representatives Smith, A., Bergkamp and Sawyer as conferees on **HB 2097**

The House adopts the Conference Committee report to agree to disagree on **HB 2465**, and has appointed Representatives Smith, A., Bergkamp and Sawyer as

Second conferees on the part of the House.

The House concurs in Senate amendments to **HB 2577**, and requests return of the bill.

The House adopts the Conference Committee report on **H Sub SB 387**.

The House adopts the Conference Committee report on **SB 18**.

The House adopts the Conference Committee report on **SB 384**.

The House adopts the Conference Committee report on **SB 356**.

The House adopts the Conference Committee report on **H Sub SB 73**.

The House adopts the Conference Committee report to agree to disagree on **SB 438**, and has appointed Representatives Thomas, Estes and Stogsdill as Second conferees on the part of the House.

The House announced the appointment of Representatives Thomas, Estes and Stogsdill as conferees on **SB 19**

The House adopts the Conference Committee report on **SB 14**.

The House adopts the Conference Committee report on **SB 115**.

The House adopts the Conference Committee report on **H Sub SB 271**.

The House adopts the Conference Committee report on **SB 423**.

The House adopts the Conference Committee report to agree to disagree on **S Sub HB 2070**, and has appointed Representatives Humphries, Lewis and Osman as Second confereed on the part of the House.

CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to **SB 14** submits the following report:

The Senate accedes to all House amendments to the bill, and your committee on conference further agrees to amend the bill as printed with House Committee amendments, as follows:

On page 1, by striking all in lines 6 through 36;

On page 2, by striking all in lines 1 through 28; following line 28, by inserting:

"Section 1. K.S.A. 2023 Supp. 25-1122 is hereby amended to read as follows: 25-1122. (a) Any registered voter may file with the county election officer where such person is a resident, or where such person is authorized by law to vote as a former precinct resident, an application for an advance voting ballot. The signed application shall be transmitted only to the county election officer by personal delivery, mail, facsimile or as otherwise provided by law.

(b) If the registered voter is applying for an advance voting ballot to be transmitted in person, the voter shall provide identification pursuant to K.S.A. 25-2908, and amendments thereto.

(c) If the registered voter is applying for an advance voting ballot to be transmitted by mail, the voter shall provide with the application for an advance voting ballot the voter's current and valid Kansas driver's license number, nondriver's identification card number or a photocopy of any other identification provided by K.S.A. 25-2908, and amendments thereto.

(d) A voter may vote a provisional ballot according to K.S.A. 25-409, and amendments thereto, if:

(1) The voter is unable or refuses to provide current and valid identification; or

(2) the name and address of the voter provided on the application for an advance

voting ballot do not match the voter's name and address on the registration book. The voter shall provide a valid form of identification as defined in K.S.A. 25-2908, and amendments thereto, to the county election officer in person or provide a copy by mail or electronic means before the meeting of the county board of canvassers. At the meeting of the county board of canvassers the county election officer shall present copies of identification received from provisional voters and the corresponding provisional ballots. If the county board of canvassers determines that a voter's identification is valid and the provisional ballot was properly cast, the ballot shall be counted.

(e) No county election officer shall provide an advance voting ballot to a person who is requesting an advance voting ballot to be transmitted by mail unless:

(1) The county election official verifies that the signature of the person matches that on file in the county voter registration records, except that verification of the voter's signature shall not be required if a voter has a disability preventing the voter from signing. Signature verification may occur by electronic device or by human inspection. In the event that the signature of a person who is requesting an advance voting ballot does not match that on file, the county election officer shall attempt to contact the person and shall offer the person another opportunity to provide the person's signature for the purposes of verifying the person's identity. If the county election officer is unable to reach the person, the county election officer may transmit a provisional ballot, however, such provisional ballot may not be counted unless a signature is included therewith that can be verified; and

(2) the person provides such person's full Kansas driver's license number, Kansas nondriver's identification card number issued by the division of vehicles, or submits such person's application for an advance voting ballot and a copy of identification provided by K.S.A. 25-2908, and amendments thereto, to the county election officer for verification. If a person applies for an advance voting ballot to be transmitted by mail but fails to provide identification pursuant to this subsection or the identification of the person cannot be verified by the county election officer, the county election officer shall provide information to the person regarding the voter rights provisions of subsection (d) and shall provide the person an opportunity to provide identification pursuant to this subsection. For the purposes of this act, Kansas state offices and offices of any subdivision of the state will allow any person seeking to vote by an advance voting ballot the use of a photocopying device to make one photocopy of an identification document at no cost.

(f) (1) Applications for advance voting ballots to be transmitted to the voter by mail shall be filed only at the following times:

(A) For the primary election occurring on the first Tuesday in August in both even-numbered and odd-numbered years, between April 1 of such year and the Tuesday of the week preceding such primary election;

(B) for the general election occurring on the Tuesday following the first Monday in November in both even-numbered and odd-numbered years, between 90 days prior to such election and the Tuesday of the week preceding such general election;

(C) for the presidential preference primary election held pursuant to K.S.A. 25-4501a, and amendments thereto, between January 1 of the year in which such election is held and 30 days prior to the day of such election;

(D) for question submitted elections occurring on the date of a primary or general

election, the same as is provided for ballots for election of officers at such election;

(E) for question submitted elections not occurring on the date of a primary or general election, between the time of the first published notice thereof and the Tuesday of the week preceding such question submitted election, except that if the question submitted election is held on a day other than a Tuesday, the final date for mailing of advance voting ballots shall be one week before such election; and

(F) for any special election of officers, at such time as is specified by the secretary of state.

(2) The county election officer of any county may receive applications prior to the time specified in this subsection and hold such applications until the beginning of the prescribed application period. Such applications shall be treated as filed on that date.

(g) (1) Unless an earlier date is designated by the county election office, applications for advance voting ballots transmitted to the voter in person shall be filed on the Tuesday next preceding the election and on each subsequent business day until ~~no~~ not later than 12 noon on the day preceding such election. If the county election officer so provides, applications for advance voting ballots transmitted to the voter in person ~~in the office of the county election officer~~ also may be filed on the Saturday or Sunday preceding the election, except that such election officer shall provide at least four hours of in-person voting on the Saturday preceding an election. Upon receipt of any such properly executed application, the county election officer shall deliver to the voter such ballots and instructions as are provided for in this act.

(2) An application for an advance voting ballot filed by a voter who has a temporary illness or disability or who is not proficient in reading the English language or by a person rendering assistance to such voter may be filed during the regular advance ballot application periods until the close of the polls on election day.

(3) The county election officer may designate places other than the central county election office as satellite advance voting sites. At any satellite advance voting site, a registered voter may obtain an application for advance voting ballots. Ballots and instructions shall be delivered to the voter in the same manner and subject to the same limitations as otherwise provided by this subsection.

(h) Any person having a permanent disability or an illness that has been diagnosed as a permanent illness is hereby authorized to make an application for permanent advance voting status. Applications for permanent advance voting status shall be in the form and contain such information as is required for application for advance voting ballots and also shall contain information that establishes the voter's right to permanent advance voting status.

(i) On receipt of any application filed under the provisions of this section, the county election officer shall prepare and maintain in such officer's office a list of the names of all persons who have filed such applications, together with their correct post office address and the precinct, ward, township or voting area in which the persons claim to be registered voters or to be authorized by law to vote as former precinct residents and the present resident address of each applicant. Names and addresses shall remain so listed until the day of such election. The county election officer shall maintain a separate listing of the names and addresses of persons qualifying for permanent advance voting status. All such lists shall be available for inspection upon request in compliance with this subsection by any registered voter during regular business hours. The county election officer upon receipt of the applications shall enter

upon a record kept by such officer the name and address of each applicant, which record shall conform to the list above required. Before inspection of any advance voting ballot application list, the person desiring to make the inspection shall provide to the county election officer identification in the form of driver's license or other reliable identification and shall sign a log book or application form maintained by the officer stating the person's name and address and showing the date and time of inspection. All records made by the county election officer shall be subject to public inspection, except that the voter identification information required by subsections (b) and (c) and the identifying number on ballots and ballot envelopes and records of such numbers shall not be made public.

(j) If a person on the permanent advance voting list fails to vote in four consecutive general elections, the county election officer may mail a notice to such voter. The notice shall inform the voter that the voter's name will be removed from the permanent advance voting list unless the voter renews the application for permanent advance voting status within 30 days after the notice is mailed. If the voter fails to renew such application, the county election officer shall remove the voter's name from the permanent advance voting list. Failure to renew the application for permanent advance voting status shall not result in removal of the voter's name from the voter registration list.

(k) (1) Any person who solicits by mail a registered voter to file an application for an advance voting ballot and includes an application for an advance voting ballot in such mailing shall include on the exterior of such mailing, and on each page contained therein, except the application, a clear and conspicuous label in 14-point font or larger that includes:

(A) The name of the individual or organization that caused such solicitation to be mailed;

(B) if an organization, the name of the president, chief executive officer or executive director of such organization;

(C) the address of such individual or organization; and

(D) the following statement: "Disclosure: This is not a government mailing. It is from a private individual or organization."

(2) The application for an advance voting ballot included in such mailing shall be the official application for advance ballot by mail provided by the secretary of state. No portion of such application shall be completed prior to mailing such application to the registered voter.

(3) An application for an advance voting ballot shall include an envelope addressed to the appropriate county election office for the mailing of such application. In no case shall the person who mails the application to the voter direct that the completed application be returned to such person.

(4) The provisions of this subsection shall not apply to:

(A) The secretary of state or any election official or county election office; or

(B) the official protection and advocacy for voting access agency for this state as designated pursuant to the federal help America vote act of 2002, public law 107-252, or any other entity required to provide information concerning elections and voting procedures by federal law.

(5) A violation of this subsection is a class C nonperson misdemeanor.

(l) (1) No person shall mail or cause to be mailed an application for an advance

voting ballot, unless such person is a resident of this state or is otherwise domiciled in this state.

(2) Any individual may file a complaint in writing with the attorney general alleging a violation of this subsection. Such complaint shall include the name of the person alleged to have violated this subsection and any other information as required by the attorney general. Upon receipt of a complaint, the attorney general shall investigate and may file an action against any person found to have violated this subsection.

(3) Any person who violates the provisions of this subsection is subject to a civil penalty of $20. Each instance in which a person mails an application for an advance voting ballot in violation of this section shall constitute a separate violation.

(m) A county election officer shall not mail a ballot to a voter unless such voter has submitted an application for an advance voting ballot, except that a ballot may be mailed to a voter if such voter has permanent advance voting ballot status pursuant to subsection (h) or if the election is conducted pursuant to the mail ballot election act, K.S.A. 25-431 et seq., and amendments thereto.

(n) The secretary of state may adopt rules and regulations in order to implement the provisions of this section and to define valid forms of identification.

Sec. 2. On and after January 1, 2025, K.S.A. 2023 Supp. 25-1122, as amended by section 1 of this act, is hereby amended to read as follows: 25-1122. (a) Any registered voter may file with the county election officer where such person is a resident, or where such person is authorized by law to vote as a former precinct resident, an application for an advance voting ballot. The signed application shall be transmitted only to the county election officer by personal delivery, mail, facsimile or as otherwise provided by law.

(b) If the registered voter is applying for an advance voting ballot to be transmitted in person, the voter shall provide identification pursuant to K.S.A. 25-2908, and amendments thereto.

(c) If the registered voter is applying for an advance voting ballot to be transmitted by mail, the voter shall provide with the application for an advance voting ballot the voter's current and valid Kansas driver's license number, nondriver's identification card number or a photocopy of any other identification provided by K.S.A. 25-2908, and amendments thereto.

(d) A voter may vote a provisional ballot according to K.S.A. 25-409, and amendments thereto, if:

(1) The voter is unable or refuses to provide current and valid identification; or

(2) the name and address of the voter provided on the application for an advance voting ballot do not match the voter's name and address on the registration book. The voter shall provide a valid form of identification as defined in K.S.A. 25-2908, and amendments thereto, to the county election officer in person or provide a copy by mail or electronic means before the meeting of the county board of canvassers. At the meeting of the county board of canvassers the county election officer shall present copies of identification received from provisional voters and the corresponding provisional ballots. If the county board of canvassers determines that a voter's identification is valid and the provisional ballot was properly cast, the ballot shall be counted.

(e) No county election officer shall provide an advance voting ballot to a person who is requesting an advance voting ballot to be transmitted by mail unless:

(1) The county election official verifies that the signature of the person matches

that on file in the county voter registration records, except that verification of the voter's signature shall not be required if a voter has a disability preventing the voter from signing. Signature verification may occur by electronic device or by human inspection. In the event that the signature of a person who is requesting an advance voting ballot does not match that on file, the county election officer shall attempt to contact the person and shall offer the person another opportunity to provide the person's signature for the purposes of verifying the person's identity. If the county election officer is unable to reach the person, the county election officer may transmit a provisional ballot, however, such provisional ballot may not be counted unless a signature is included therewith that can be verified; and

(2) the person provides such person's full Kansas driver's license number, Kansas nondriver's identification card number issued by the division of vehicles, or submits such person's application for an advance voting ballot and a copy of identification provided by K.S.A. 25-2908, and amendments thereto, to the county election officer for verification. If a person applies for an advance voting ballot to be transmitted by mail but fails to provide identification pursuant to this subsection or the identification of the person cannot be verified by the county election officer, the county election officer shall provide information to the person regarding the voter rights provisions of subsection (d) and shall provide the person an opportunity to provide identification pursuant to this subsection. For the purposes of this act, Kansas state offices and offices of any subdivision of the state will allow any person seeking to vote by an advance voting ballot the use of a photocopying device to make one photocopy of an identification document at no cost.

(f) (1) Applications for advance voting ballots to be transmitted to the voter by mail shall be filed only at the following times:

(A) For the primary election occurring on the first Tuesday in August in both even-numbered and odd-numbered years, between April 1 of such year and ~~the Tuesday of the week~~ 14 days preceding such primary election;

(B) for the general election occurring on the Tuesday following the first Monday in November in both even-numbered and odd-numbered years, between 90 days prior to such election and ~~the Tuesday of the week~~ 14 days preceding such general election;

(C) for the presidential preference primary election held pursuant to K.S.A. 25-4501a, and amendments thereto, between January 1 of the year in which such election is held and 30 days prior to the day of such election;

(D) for question submitted elections occurring on the date of a primary or general election, the same as is provided for ballots for election of officers at such election;

(E) for question submitted elections not occurring on the date of a primary or general election, between the time of the first published notice thereof and ~~the Tuesday of the week~~ 14 days preceding such question submitted election, except that if the question submitted election is held on a day other than a Tuesday, the final date for mailing of advance voting ballots shall be ~~one week~~ 14 days before such election; and

(F) for any special election of officers, at such time as is specified by the secretary of state.

(2) The county election officer of any county may receive applications prior to the time specified in this subsection and hold such applications until the beginning of the prescribed application period. Such applications shall be treated as filed on that date.

(g) (1) Unless an earlier date is designated by the county election office,

applications for advance voting ballots transmitted to the voter in person shall be filed on the Tuesday next preceding the election and on each subsequent business day until not later than ~~12 noon on the day~~ 7:00 p.m. Sunday preceding such election except a county election officer may allow in-person voting until noon Monday for any person for good cause. If the county election officer so provides, applications for advance voting ballots transmitted to the voter in person also may be filed on the Saturday or Sunday preceding the election, except that such election officer shall provide at least four hours of in-person voting on the Saturday preceding an election. Upon receipt of any such properly executed application, the county election officer shall deliver to the voter such ballots and instructions as are provided for in this act.

(2) An application for an advance voting ballot filed by a voter who has a temporary illness or disability or who is not proficient in reading the English language or by a person rendering assistance to such voter may be filed during the regular advance ballot application periods until the close of the polls on election day.

(3) The county election officer may designate places other than the central county election office as satellite advance voting sites. At any satellite advance voting site, a registered voter may obtain an application for advance voting ballots. Ballots and instructions shall be delivered to the voter in the same manner and subject to the same limitations as otherwise provided by this subsection.

(h) Any person having a permanent disability or an illness that has been diagnosed as a permanent illness is hereby authorized to make an application for permanent advance voting status. Applications for permanent advance voting status shall be in the form and contain such information as is required for application for advance voting ballots and also shall contain information that establishes the voter's right to permanent advance voting status.

(i) On receipt of any application filed under the provisions of this section, the county election officer shall prepare and maintain in such officer's office a list of the names of all persons who have filed such applications, together with their correct post office address and the precinct, ward, township or voting area in which the persons claim to be registered voters or to be authorized by law to vote as former precinct residents and the present resident address of each applicant. Names and addresses shall remain so listed until the day of such election. The county election officer shall maintain a separate listing of the names and addresses of persons qualifying for permanent advance voting status. All such lists shall be available for inspection upon request in compliance with this subsection by any registered voter during regular business hours. The county election officer upon receipt of the applications shall enter upon a record kept by such officer the name and address of each applicant, which record shall conform to the list above required. Before inspection of any advance voting ballot application list, the person desiring to make the inspection shall provide to the county election officer identification in the form of driver's license or other reliable identification and shall sign a log book or application form maintained by the officer stating the person's name and address and showing the date and time of inspection. All records made by the county election officer shall be subject to public inspection, except that the voter identification information required by subsections (b) and (c) and the identifying number on ballots and ballot envelopes and records of such numbers shall not be made public.

(j) If a person on the permanent advance voting list fails to vote in four consecutive

general elections, the county election officer may mail a notice to such voter. The notice shall inform the voter that the voter's name will be removed from the permanent advance voting list unless the voter renews the application for permanent advance voting status within 30 days after the notice is mailed. If the voter fails to renew such application, the county election officer shall remove the voter's name from the permanent advance voting list. Failure to renew the application for permanent advance voting status shall not result in removal of the voter's name from the voter registration list.

(k) (1) Any person who solicits by mail a registered voter to file an application for an advance voting ballot and includes an application for an advance voting ballot in such mailing shall include on the exterior of such mailing, and on each page contained therein, except the application, a clear and conspicuous label in 14-point font or larger that includes:

(A) The name of the individual or organization that caused such solicitation to be mailed;

(B) if an organization, the name of the president, chief executive officer or executive director of such organization;

(C) the address of such individual or organization; and

(D) the following statement: "Disclosure: This is not a government mailing. It is from a private individual or organization."

(2) The application for an advance voting ballot included in such mailing shall be the official application for advance ballot by mail provided by the secretary of state. No portion of such application shall be completed prior to mailing such application to the registered voter.

(3) An application for an advance voting ballot shall include an envelope addressed to the appropriate county election office for the mailing of such application. In no case shall the person who mails the application to the voter direct that the completed application be returned to such person.

(4) The provisions of this subsection shall not apply to:

(A) The secretary of state or any election official or county election office; or

(B) the official protection and advocacy for voting access agency for this state as designated pursuant to the federal help America vote act of 2002, public law 107-252, or any other entity required to provide information concerning elections and voting procedures by federal law.

(5) A violation of this subsection is a class C nonperson misdemeanor.

(l) (1) No person shall mail or cause to be mailed an application for an advance voting ballot, unless such person is a resident of this state or is otherwise domiciled in this state.

(2) Any individual may file a complaint in writing with the attorney general alleging a violation of this subsection. Such complaint shall include the name of the person alleged to have violated this subsection and any other information as required by the attorney general. Upon receipt of a complaint, the attorney general shall investigate and may file an action against any person found to have violated this subsection.

(3) Any person who violates the provisions of this subsection is subject to a civil penalty of $20. Each instance in which a person mails an application for an advance voting ballot in violation of this section shall constitute a separate violation.

(m) A county election officer shall not mail a ballot to a voter unless such voter has

submitted an application for an advance voting ballot, except that a ballot may be mailed to a voter if such voter has permanent advance voting ballot status pursuant to subsection (h) or if the election is conducted pursuant to the mail ballot election act, K.S.A. 25-431 et seq., and amendments thereto.

(n) The secretary of state may adopt rules and regulations in order to implement the provisions of this section and to define valid forms of identification.

Sec. 3. On and after January 1, 2025, K.S.A. 25-1123 is hereby amended to read as follows: 25-1123. (a) When an application for an advance voting ballot has been filed in accordance with K.S.A. 25-1122, and amendments thereto, the county election officer shall transmit to the voter applying therefor one each of the appropriate ballots. Unless an advance voting ballot is transmitted in person pursuant to this subsection, the county election officer shall transmit the advance voting ballots to the voter at one of the following addresses as specified by the voter on such application: (1) The voter's residential address or mailing address as indicated on the registration list; (2) the voter's temporary residential address; or (3) a medical care facility as defined in K.S.A. 65-425, and amendments thereto, psychiatric hospital, hospice or adult care home where the voter resides. No advance voting ballot shall be transmitted by the county election officer by any means prior to the ~~20th~~ 22nd day before the election for which an application for an advance voting ballot has been received by such county election officer. If the advance voting ballot is transmitted by mail, such ballot shall be transmitted with printed instructions prescribed by the secretary of state and a ballot envelope bearing upon the outside a printed form as described in K.S.A. 25-1120, and amendments thereto, and the same number as the number of the ballot. If the advance voting ballot is transmitted to the applicant in person in the office of the county election officer or at a satellite advance voting site, such advance voting ballot and printed instructions shall be transmitted in an advance voting ballot envelope bearing upon the outside a printed form as described in K.S.A. 25-1120, and amendments thereto, and the same number as the number of the ballot unless the voter elects to deposit the advance voting ballot into a locked ballot box without an envelope. All ballots shall be transmitted to the advance voting voter not more than ~~20~~ 22 days before the election but within two business days of the receipt of such voter's application by the election officer or the commencement of such ~~20-day~~ 22-day period. In primary elections required to be conducted on a partisan basis, the election officer shall deliver to such voter the ballot of the political party of the applicant.

(b) The restrictions in subsection (a) relating to where a county election officer may transmit an advance voting ballot shall not apply to an advance voting ballot requested pursuant to an application for an advance voting ballot filed by a voter who has a temporary illness or disability or who is not proficient in reading the English language.

(c) The county election officer shall compare the driver's license number, nondriver's identification card number or copy of other valid identification provided by a voter to the voter registration list verified by the division of vehicles in accordance with federal law. If no identification information was provided by the voter or if such information does not match the information on the voter registration list, the county election officer shall transmit a provisional advance voting ballot.

Sec. 4. K.S.A. 25-1128 is hereby amended to read as follows: 25-1128. (a) No voter shall knowingly mark or transmit to the county election officer more than one advance voting ballot, or set of one of each kind of ballot, if the voter is entitled to vote more

than one such ballot at a particular election.

(b) Except as provided in K.S.A. 25-1124, and amendments thereto, no person shall knowingly interfere with or delay the transmission of any advance voting ballot application from a voter to the county election officer, nor shall any person mail, fax or otherwise cause the application to be sent to a place other than the county election office. Any person or group engaged in the distribution of advance voting ballot applications shall mail, fax or otherwise deliver any application signed by a voter to the county election office within two days after such application is signed by the applicant.

(c) Except as otherwise provided by law, no person other than the voter, shall knowingly mark, sign or transmit to the county election officer any advance voting ballot or advance voting ballot envelope.

(d) Except as otherwise provided by law, no person shall knowingly sign an application for an advance voting ballot for another person. This provision shall not apply if a voter has a disability preventing the voter from signing an application or if an immediate family member signs an application on behalf of another immediate family member with proper authorization being given.

(e) No person, unless authorized by K.S.A. 25-1122 or 25-1124, and amendments thereto, shall knowingly intercept, interfere with, or delay the transmission of advance voting ballots from the county election officer to the voter.

(f) No person shall knowingly and falsely affirm, declare or subscribe to any material fact in an affirmation form for an advance voting ballot or set of advance voting ballots.

(g) A voter may return such voter's advance voting ballot to the county election officer by personal delivery or by mail. Subject to the provisions of K.S.A. 25-2437, and amendments thereto, a person other than the voter may return the advance voting ballot by personal delivery or mail if authorized by the voter in writing as provided in K.S.A. 25-2437, and amendments thereto, except that a written designation shall not be required from a voter who has a disability preventing the voter from writing or signing a written designation. Any such person designated by the voter shall sign a statement in accordance with K.S.A. 25-2437, and amendments thereto. All ballots cast by advance in-person voting shall be delivered to the county election office not later than 12 noon on the Monday preceding the date of the election. If the county election officer so provides, such ballots may be delivered or cast on the Saturday or Sunday preceding the election, except that such election officer shall provide at least four hours of in-person advance voting on the Saturday preceding an election.

(h) Except as otherwise provided by federal law, no person shall knowingly backdate or otherwise alter a postmark or other official indication of the date of mailing of an advance voting ballot returned to the county election officer by mail for the purpose of indicating a date of mailing other than the actual date of mailing by the voter or the voter's designee.

(i) Violation of any provision of this section is a severity level 9, nonperson felony.

Sec. 5. On and after January 1, 2025, K.S.A. 25-1128, as amended by section 4 of this act, is hereby amended to read as follows: 25-1128. (a) No voter shall knowingly mark or transmit to the county election officer more than one advance voting ballot, or set of one of each kind of ballot, if the voter is entitled to vote more than one such ballot at a particular election.

(b) Except as provided in K.S.A. 25-1124, and amendments thereto, no person shall

knowingly interfere with or delay the transmission of any advance voting ballot application from a voter to the county election officer, nor shall any person mail, fax or otherwise cause the application to be sent to a place other than the county election office. Any person or group engaged in the distribution of advance voting ballot applications shall mail, fax or otherwise deliver any application signed by a voter to the county election office within two days after such application is signed by the applicant.

(c) Except as otherwise provided by law, no person other than the voter, shall knowingly mark, sign or transmit to the county election officer any advance voting ballot or advance voting ballot envelope.

(d) Except as otherwise provided by law, no person shall knowingly sign an application for an advance voting ballot for another person. This provision shall not apply if a voter has a disability preventing the voter from signing an application or if an immediate family member signs an application on behalf of another immediate family member with proper authorization being given.

(e) No person, unless authorized by K.S.A. 25-1122 or 25-1124, and amendments thereto, shall knowingly intercept, interfere with, or delay the transmission of advance voting ballots from the county election officer to the voter.

(f) No person shall knowingly and falsely affirm, declare or subscribe to any material fact in an affirmation form for an advance voting ballot or set of advance voting ballots.

(g) A voter may return such voter's advance voting ballot to the county election officer by personal delivery or by mail. Subject to the provisions of K.S.A. 25-2437, and amendments thereto, a person other than the voter may return the advance voting ballot by personal delivery or mail if authorized by the voter in writing as provided in K.S.A. 25-2437, and amendments thereto, except that a written designation shall not be required from a voter who has a disability preventing the voter from writing or signing a written designation. Any such person designated by the voter shall sign a statement in accordance with K.S.A. 25-2437, and amendments thereto. All ballots cast by advance in-person voting shall be delivered to the county election office not later than ~~12 noon~~ 7:00 p.m. on the ~~Monday~~ Sunday preceding the date of the election. If the county election officer so provides, such ballots may be delivered or cast on the Saturday or Sunday preceding the election, except that such election officer shall provide at least four hours of in-person advance voting on the Saturday preceding an election.

(h) Except as otherwise provided by federal law, no person shall knowingly backdate or otherwise alter a postmark or other official indication of the date of mailing of an advance voting ballot returned to the county election officer by mail for the purpose of indicating a date of mailing other than the actual date of mailing by the voter or the voter's designee.

(i) Violation of any provision of this section is a severity level 9, nonperson felony.

Sec. 6. On and after January 1, 2025, K.S.A. 25-1132 is hereby amended to read as follows: 25-1132. (a) All advance voting ballots that are received in the office of the county election officer or any polling place within the county not later than the hour for closing of the polls on the date of any election specified in K.S.A. 25-1122(f), and amendments thereto, shall be delivered by the county election officer to the appropriate special election board provided for in K.S.A. 25-1133, and amendments thereto.

(b) ~~Subject to the deadline for receipt by the office of the county election officer as set forth in this subsection, all advance voting ballots received by mail by the office of~~

~~the county election officer after the closing of the polls on the date of any election specified in K.S.A. 25-1122(f), and amendments thereto, and which are postmarked or are otherwise indicated by the United States postal service to have been mailed on or before the close of the polls on the date of the election, shall be delivered by the county election officer to a special election board or the county board of canvassers, as determined by the secretary of state, for canvassing in a manner consistent, as nearly as may be, with other advance voting ballots.~~ The deadline for the receipt by mail of the advance voting ballots by the office of the county election officer shall be ~~the last delivery of mail by the United States postal service~~ 7:00 p.m. on ~~the third day following~~ the date of the election.

(c) The secretary of state shall adopt rules and regulations to implement this ~~subsection~~ section.

Sec. 7. On and after January 1, 2025, K.S.A. 2023 Supp. 25-2311 is hereby amended to read as follows: 25-2311. (a) County election officers shall provide for the registration of voters at one or more places on all days except the following:

(1) Days when the main offices of the county government are closed for business, except as is otherwise provided by any county election officer under the provisions of K.S.A. 25-2312, and amendments thereto;

(2) days when the main offices of the city government are closed for business, in the case of deputy county election officers who are city clerks except as is otherwise provided by any county election officer under the provisions of K.S.A. 25-2312, and amendments thereto;

(3) the ~~20~~ 22 days preceding the day of primary and general elections;

(4) the 30 days preceding the day of any presidential preference primary election held pursuant to K.S.A. 25-4501a, and amendments thereto;

(5) the ~~20~~ 22 days preceding the day of any election other than one specified in this subsection; and

(6) the day of any primary or general election or any question submitted election.

(b) For the purposes of this section in counting days that registration books are to be closed, all of the days including Sunday and legal holidays shall be counted.

(c) The secretary of state shall notify every county election officer of the dates when registration shall be closed preceding primary and general elections. The days so specified by the secretary of state shall be conclusive. Such notice shall be given by the secretary of state by mail at least 60 days preceding every primary and general election.

(d) The last days before closing of registration books as directed by the secretary of state under subsection (c), county election officers shall provide for registration of voters during regular business hours, during the noon hours and at other than regular business hours upon such days as the county election officers deem necessary. The last three business days before closing of registration books prior to primary and general elections, county election officers may provide for registration of voters until 9 p.m. in any city.

(e) (1) Except as provided in paragraph (2), county election officers shall accept and process applications received by voter registration agencies and the division of motor vehicles not later than the ~~21st~~ 23rd day preceding the date of any election or mailed voter registration applications that are postmarked not later than the ~~21st~~ 23rd day preceding the date of any election except, if the postmark is illegible or missing, mailed voter registration applications received in the mail not later than the ninth day preceding

the day of any election.

(2) For any presidential preference primary election held pursuant to K.S.A. 25-4501a, and amendments thereto, county election officers shall accept and process applications received by voter registration agencies and the division of motor vehicles not later than the 31st day preceding the date of such election or mailed voter registration applications that are postmarked not later than the 31st day preceding such election except, if the postmark is illegible or missing, mailed voter registration applications received in the mail not later than the 19th day preceding the day of such election.

(f) The secretary of state may adopt rules and regulations interpreting the provisions of this section and specifying the days when registration shall be open, days when registration shall be closed, and days when it is optional with the county election officer for registration to be open or closed.

(g) Before each primary and general election held in even-numbered and odd-numbered years, and at times and in a form prescribed by the secretary of state, each county election officer shall certify to the secretary of state the number of registered voters in each precinct of the county as shown by the registration books in the office of such county election officer.";

Also on page 2, in line 29, by striking "2022 Supp. 40-2c01 is" and inserting "25-1128 and K.S.A. 2023 Supp. 25-1122 are"; following line 29, by inserting:

"Sec. 9. On and after January 1, 2025, K.S.A. 25-1123, 25-1128, as amended by section 4 of this act, and 25-1132 and K.S.A. 2023 Supp. 25-1122, as amended by section 1 of this act, and 25-2311 are hereby repealed.";

Also on page 2, in line 31, by striking "Kansas register" and inserting "statute book";

And by renumbering sections accordingly;

On page 1, in the title, in line 1, by striking all after "concerning"; in line 2, by striking all before the semicolon and inserting "elections; relating to advance ballots; extending the time for transmittal of advance ballots to voters to 22 days prior to an election; changing the voter registration deadline before an election to the 23rd day preceding the election; requiring county election officers to provide at least four hours of advance in-person voting on the Saturday before an election; providing that after January 1, 2025, if advance voting ballots are cast in person, such ballots must be received in the county election office by 7:00 p.m. on the Sunday preceding the election; providing an exception; requiring the return of all advance voting ballots by 7:00 p.m. on election day"; also in line 2, by striking "2022"; in line 3, by striking all before "and" and inserting "25-1123, 25-1128, 25-1128, as amended by section 4 of this act, and 25-1132 and K.S.A. 2023 Supp. 25-1122, 25-1122, as amended by section 1 of this act, and 25-2311"; also in line 3, by striking "section" and inserting "sections";

And your committee on conference recommends the adoption of this report.

PAT PROCTOR
PAUL WAGGONER
Conferees on part of House

MICHAEL THOMPSON
RICK KLOOS
Conferees on part of Senate

The motion of Senator Thompson to adopt the conference committee report on **SB 14**

failed.

On roll call, the vote was: Yeas 20; Nays 19; Present and Passing 0; Absent or Not Voting 1.

Yeas: Alley, Billinger, Blasi, Claeys, Erickson, Fagg, Gossage, Kerschen, Kloos, Longbine, Masterson, Peck, Petersen, Pyle, Shallenburger, Steffen, Straub, Thompson, Warren, Wilborn.

Nays: Baumgardner, Bowers, Corson, Dietrich, Doll, Faust-Goudeau, Francisco, Haley, Holland, Holscher, McGinn, O'Shea, Olson, Pettey, Pittman, Reddi, Sykes, Tyson, Ware.

Absent or Not Voting: Ryckman.

The Conference Committee Report was not adopted.

Having voted on the prevailing side, Senator Tyson motioned to reconsider previous action. Motion carried.

Senator Tyson motioned to not adopt the Conference Committee Report on **SB 14** and appoint new conference. Motion carried.

The President appointed Senators Thompson, Kloos and Faust Goudeau as a third conferees on the part of the Senate.

CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to **SB 18** submits the following report:

The Senate accedes to all House amendments to the bill, and your committee on conference further agrees to amend the bill as printed with House Committee amendments, as follows:

On page 1, by striking all in lines 6 through 36;

On page 2, by striking all in lines 1 through 29; following line 29 by inserting:

"New Section 1. (a) The provisions of sections 1 through 8, and amendments thereto, shall be known and may be cited as the Kansas campus restoration act.

(b) The purpose of the Kansas campus restoration act is to reduce deferred maintenance of educational mission-critical facilities at postsecondary educational institutions, to bring such facilities to a state of good repair and to provide for the demolition or razing of facilities at state educational institutions that are no longer mission-critical.

(c) As used in the Kansas campus restoration act:

(1) "Board of regents" means the same as defined in K.S.A. 76-711, and amendments thereto.

(2) "Fund" means the Kansas campus restoration fund established in section 2, and amendments thereto.

(3) "Postsecondary educational institution" means the same as defined in K.S.A. 74-3201b, and amendments thereto.

(4) "State educational institution" means the same as defined in K.S.A. 76-711, and amendments thereto.

New Sec. 2. (a) There is hereby established in the state treasury the Kansas campus restoration fund. The Kansas campus restoration fund shall be administered by the board of regents. All expenditures from the fund shall be made in accordance with

appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the board of regents or by a person or persons designated by the board of regents.

(b) A deferred maintenance account of the fund shall be established for each postsecondary educational institution for the purpose of making capital improvement expenditures from the fund.

(c) (1) Except as provided in paragraphs (2) and (3), all expenditures from the fund shall require a match of nonstate moneys on a $1-for-$1 basis from either the postsecondary educational institution or private moneys.

(2) Expenditures from the fund for a community college, technical college, institute of technology or municipal university shall not require a match.

(3) Expenditures from the fund from a state educational institution's deferred maintenance account for demolition or razing of buildings or facilities on the campus of such state educational institution shall not require a match.

(d) On or before the 10th day of each month, the director of accounts and reports shall transfer from the state general fund to the Kansas campus restoration fund interest earnings based on:

(1) The average daily balance of moneys in the Kansas campus restoration fund for the preceding month; and

(2) the net earnings rate for the pooled money investment portfolio for the preceding month.

New Sec. 3. On July 1, 2025, July 1, 2026, July 1, 2027, July 1, 2028, July 1, 2029, and July 1, 2030, or as soon thereafter each such date as moneys are available, the director of accounts and reports shall transfer $32,700,000 from the state general fund to the Kansas campus restoration fund.

New Sec. 4. (a) Each state educational institution shall develop and submit to the board of regents a plan for the purpose of rehabilitating, remodeling or renovating existing facilities or building new facilities that are mission-critical of such state educational institution and to bring such facilities to a state of good repair. Such plan shall also include a list of facilities for demolition or razing. Each state educational institution's plan shall be subject to approval by the board of regents.

(b) The board of regents shall develop a comprehensive Kansas campus restoration plan that includes facilities from each state educational institution's plan as approved by the board of regents.

(c) The board of regents shall ensure that facilities located on the Kansas state university Salina campus and the university of Kansas Edwards campus in Overland Park, Kansas, are not excluded from direct participation in the Kansas campus restoration plan.

(d) The Kansas campus restoration plan shall encourage, and the board of regents may require, a reduction of total campus square footage in a project associated with such plan.

New Sec. 5. (a) Commencing in fiscal year 2026 through fiscal year 2031, the board of regents shall distribute in each fiscal year an aggregate amount of $30,000,000 from the Kansas campus restoration fund to each state educational institution's deferred maintenance account established pursuant to section 2, and amendments thereto, in accordance with the Kansas campus restoration plan developed and approved pursuant to section 4, and amendments thereto.

(b) Commencing in fiscal year 2026 through fiscal year 2031, the board of regents shall credit $100,000 in each fiscal year from the Kansas campus restoration fund to each community college, technical college, institute of technology and municipal university account established pursuant to section 2, and amendments thereto.

New Sec. 6. The board of regents is hereby authorized to adopt rules and regulations necessary to implement and administer the provisions of the Kansas campus restoration act and shall adopt rules and regulations to define:

(a) "Educational mission-critical facilities." Such definition may include, but not be limited to, any facility of a research or economic generation capacity that the board of regents deems essential. Such definition shall not include auxiliary or athletic-funded facilities; and

(b) "state of good repair." Such definition shall be of an industry standard and shall be presented to the joint committee on state building construction for review and comment.

New Sec. 7. Annually on or before the first day of the regular session of the legislature:

(a) The board of regents shall submit a report on the progress of the Kansas campus restoration plan to the senate committee on ways and means, the house of representatives committee on appropriations, the house of representatives higher education budget committee and the joint committee on state building construction; and

(b) each community college, technical college, institute of technology and municipal university shall submit a report on each institution's expenditures of moneys received pursuant to section 5(b), and amendments thereto, to the board of regents, the senate committee on ways and means, the house of representatives committee on appropriations and the house of representatives higher education budget committee.

New Sec. 8. The provisions of sections 1 through 8, and amendments thereto, shall expire on July 1, 2031.

Sec. 9. K.S.A. 74-3201b is hereby amended to read as follows: 74-3201b. As used in the Kansas higher education coordination act:

(a) "Adult basic education program" and "adult supplementary education program" ~~have the meanings respectively ascribed thereto~~ mean the same as defined in K.S.A. 74-32,253, and amendments thereto.

(b) "Community college" means any community college established under the laws of this state.

(c) "Institute of technology" or "Washburn institute of technology" means the institute of technology at Washburn university.

(d) "Municipal university" means Washburn university of Topeka or any other municipal university established under the laws of this state.

(e) "Postsecondary educational institution" means any public university, municipal university, community college ~~and,~~ technical college~~,~~ and institute of technology. "Postsecondary educational institution" includes any entity resulting from the consolidation or affiliation of any two or more of such postsecondary educational institutions.

(f) "Private postsecondary educational institution" and "out-of-state postsecondary educational institution" ~~have the meanings ascribed thereto~~ mean the same as defined in K.S.A. 74-32,163, and amendments thereto.

(g) "Public university" means any state educational institution.

(h) "Representative of a postsecondary educational institution" means any person who is the holder of an associate degree, a bachelor's degree~~,~~ or a certificate of completion awarded by a postsecondary educational institution.

(i) "State board of regents" or "state board" means the state board of regents provided for in the constitution of this state and established by K.S.A. 74-3202a, and amendments thereto, except as otherwise specifically provided in this act.

(j) "State educational institution" means any state educational institution~~,~~ as defined in K.S.A. 76-711, and amendments thereto.

(k) "Technical college" means any technical college established under the laws of this state.

Sec. 10. K.S.A. 74-3201b is hereby repealed.";

Also on page 2, in line 31, by striking "Kansas register" and inserting "statute book";

And by renumbering sections accordingly;

On page 1, in the title, in line 1, by striking all after "concerning"; by striking all in line 2; in line 3, by striking all before the period and inserting "the state board of regents; enacting the Kansas campus restoration act; relating to deferred maintenance and demolition of facilities at postsecondary educational institutions; authorizing the board to adopt rules and regulations; establishing the Kansas campus restoration fund in the state treasury; authorizing certain transfers from the state general fund to the Kansas campus restoration fund; requiring annual reports be submitted to certain committees of the legislature; amending K.S.A. 74-3201b and repealing the existing section";

And your committee on conference recommends the adoption of this report.

TROY WAYMASTER
KYLE HOFFMAN
HENRY HELGERSON
Conferees on part of House

RICK BILLINGER
J. R. CLAEYS
PAT PETTEY
Conferees on part of Senate

Senator Billinger moved the Senate adopt the Conference Committee Report on **SB 18**.

On roll call, the vote was: Yeas 32; Nays 7; Present and Passing 0; Absent or Not Voting 1.

Yeas: Alley, Baumgardner, Billinger, Blasi, Bowers, Claeys, Corson, Dietrich, Doll, Fagg, Faust-Goudeau, Francisco, Haley, Holland, Holscher, Kerschen, Kloos, Longbine, Masterson, McGinn, O'Shea, Peck, Petersen, Pettey, Pittman, Reddi, Shallenburger, Sykes, Thompson, Ware, Warren, Wilborn.

Nays: Erickson, Gossage, Olson, Pyle, Steffen, Straub, Tyson.

Absent or Not Voting: Ryckman.

The Conference Committee Report was adopted.

CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to **SB 73** submits the following report:

The Senate accedes to all House amendments to the bill, and your committee on conference further agrees to amend the bill as printed as House Substitute for Senate Bill No. 73, as follows:

On page 1, by striking all in lines 11 through 36;

By striking all on pages 2 through 17;

On page 18, by striking all in lines 1 through 16; following line 16, by inserting:

"Section 1. K.S.A. 2023 Supp. 72-5132 is hereby amended to read as follows: 72-5132. As used in the Kansas school equity and enhancement act, K.S.A. 72-5131 et seq., and amendments thereto:

(a) "Adjusted enrollment" means the enrollment of a school district, excluding the remote enrollment determined pursuant to K.S.A. 2023 Supp. 72-5180, and amendments thereto, adjusted by adding the following weightings, if any, to the enrollment of a school district: At-risk student weighting; bilingual weighting; career technical education weighting; high-density at-risk student weighting; high enrollment weighting; low enrollment weighting; school facilities weighting; ancillary school facilities weighting; cost-of-living weighting; special education and related services weighting; and transportation weighting.

(b) "Ancillary school facilities weighting" means an addend component assigned to the enrollment of school districts pursuant to K.S.A. 72-5158, and amendments thereto, on the basis of costs attributable to commencing operation of one or more new school facilities by such school districts.

(c) (1) "At-risk student" means a student who is eligible for free meals under the national school lunch act, and who is enrolled in a school district that maintains an approved at-risk student assistance program.

(2) "At-risk student" does not include any student enrolled in any of the grades one through 12 who is in attendance less than full time, or any student who is over 19 years of age. The provisions of this paragraph shall not apply to any student who has an individualized education program.

(d) "At-risk student weighting" means an addend component assigned to the enrollment of school districts pursuant to K.S.A. 72-5151(a), and amendments thereto, on the basis of costs attributable to the maintenance of at-risk educational programs by such school districts.

(e) "Base aid for student excellence" or "BASE aid" means an amount appropriated by the legislature in a fiscal year for the designated year. The amount of BASE aid shall be as follows:

(1) For school year 2018-2019, $4,165;

(2) for school year 2019-2020, $4,436;

(3) for school year 2020-2021, $4,569;

(4) for school year 2021-2022, $4,706;

(5) for school year 2022-2023, $4,846; and

(6) for school year 2023-2024, and each school year thereafter, the BASE aid shall be the BASE aid amount for the immediately preceding school year plus an amount equal to the average percentage increase in the consumer price index for all urban consumers in the midwest region as published by the bureau of labor statistics of the United States department of labor during the three immediately preceding school years rounded to the nearest whole dollar amount.

(f) "Bilingual weighting" means an addend component assigned to the enrollment

of school districts pursuant to K.S.A. 72-5150, and amendments thereto, on the basis of costs attributable to the maintenance of bilingual educational programs by such school districts.

(g) "Board" means the board of education of a school district.

(h) "Budget per student" means the general fund budget of a school district divided by the enrollment of the school district.

(i) "Categorical fund" means and includes the following funds of a school district: Adult education fund; adult supplementary education fund; at-risk education fund; bilingual education fund; career and postsecondary education fund; driver training fund; educational excellence grant program fund; extraordinary school program fund; food service fund; parent education program fund; preschool-aged at-risk education fund; professional development fund; special education fund; and summer program fund.

(j) "Cost-of-living weighting" means an addend component assigned to the enrollment of school districts pursuant to K.S.A. 72-5159, and amendments thereto, on the basis of costs attributable to the cost of living in such school districts.

(k) "Current school year" means the school year during which state foundation aid is determined by the state board under K.S.A. 72-5134, and amendments thereto.

(l) (1) "Enrollment" means, except as provided in K.S.A. 2023 Supp. 72-5180, and amendments thereto, whichever is the greater of:

~~(1)~~(A) The number of students regularly enrolled in kindergarten and grades one through 12 in the school district on September 20 of the current school year plus the number of preschool-aged at-risk students regularly enrolled in the school district on September 20 of the current school year;

(B) the number of students regularly enrolled in kindergarten and grades one through 12 in the school district on September 20 of the preceding school year plus the number of preschool-aged at-risk students regularly enrolled in the school district on September 20 of the current school year~~, except a student who is a foreign exchange student shall not be counted unless such student is regularly enrolled in the school district on September 20 and attending kindergarten or any of the grades one through 12 maintained by the school district for at least one semester or two quarters, or the equivalent thereof.~~

~~(2) If the enrollment in a school district in the preceding school year has decreased from enrollment in the second preceding school year, the enrollment of the school district in the current school year means the sum of:~~

~~(A) the enrollment in the second preceding school year, excluding students under paragraph (2)(B), minus enrollment in the preceding school year of preschool-aged at-risk students, if any, plus enrollment in the current school year of preschool-aged at-risk students, if any; and~~

~~(B) the adjusted enrollment in the second preceding school year of any students participating in the tax credit for low income students scholarship program pursuant to K.S.A. 72-4351 et seq., and amendments thereto, in the preceding school year, if any, plus the adjusted enrollment in the preceding school year of preschool-aged at-risk students who are participating in the tax credit for low income students scholarship program pursuant to K.S.A. 72-4351 et seq., and amendments thereto, in the current school year, if any.~~;

~~(3)~~(C) for any school district that has a military student, as that term is defined in K.S.A. 72-5139, and amendments thereto, enrolled in such district, and that received

federal impact aid for the preceding school year, if the enrollment in such school district in the preceding school year has decreased from enrollment in the second preceding school year, the enrollment of the school district in the current school year means whichever is the greater of:

~~(A)~~(i) The enrollment amounts determined under ~~paragraph (2)~~ subparagraphs (A) or (B); or

~~(B)~~(ii) the sum of ~~the enrollment in the preceding school year of~~ the number of preschool-aged at-risk students regularly enrolled in the school district on September 20 of the preceding school year~~, if any,~~ and the arithmetic mean of the sum of:

~~(i)~~(a) The ~~enrollment of the~~ number of students regularly enrolled in kindergarten and grades one through 12 in the school district ~~in~~ on September 20 of the preceding school year ~~minus the enrollment in such school year of preschool-aged at-risk students, if any~~;

~~(ii)~~(b) the ~~enrollment in the~~ number of students regularly enrolled in kindergarten and grades one through 12 in the school district on September 20 of the second preceding school year ~~minus the enrollment in such school year of preschool-aged at-risk students, if any~~; and

~~(iii)~~(c) the ~~enrollment in the~~ number of students regularly enrolled in kindergarten and grades one through 12 in the school district on September 20 of the third preceding school year ~~minus the enrollment in such school year of preschool-aged at-risk students, if any~~; or

(D) for school year 2024-2025, the number of preschool-aged at-risk students regularly enrolled in the school district on September 20 of the current school year and the arithmetic mean of the sum of:

(i) The number of students regularly enrolled in kindergarten and grades one through 12 in the school district on September 20 of the preceding school year; and

(ii) the number of students regularly enrolled in kindergarten and grades one through 12 in the school district on September 20 of the second preceding school year.

~~(4)~~(2) ~~The~~When enrollment is determined under paragraph (1), ~~(2) or (3), except~~ if the school district begins to offer kindergarten on a full-time basis in such school year, students regularly enrolled in kindergarten in the school district in the preceding school year shall be counted as one student regardless of actual attendance during such preceding school year.

(3) A foreign exchange student shall not be counted in the enrollment of a school district unless such student was regularly enrolled on September 20 and attending kindergarten or any of the grades one through 12 maintained by the district for at least one semester or two quarters, or the equivalent thereof.

(m) "February 20" has its usual meaning, except that in any year in which February 20 is not a day on which school is maintained, it means the first day after February 20 on which school is maintained.

(n) "Federal impact aid" means an amount equal to the federally qualified percentage of the amount of moneys a school district receives in the current school year under the provisions of title I of public law 874 and congressional appropriations therefor, excluding amounts received for assistance in cases of major disaster and amounts received under the low-rent housing program. The amount of federal impact aid shall be determined by the state board in accordance with terms and conditions imposed under the provisions of the public law and rules and regulations thereunder.

(o) "General fund" means the fund of a school district from which operating expenses are paid and in which is deposited all amounts of state foundation aid provided under this act, payments under K.S.A. 72-528, and amendments thereto, payments of federal funds made available under the provisions of title I of public law 874, except amounts received for assistance in cases of major disaster and amounts received under the low-rent housing program and such other moneys as are provided by law.

(p) "General fund budget" means the amount budgeted for operating expenses in the general fund of a school district.

(q) "High-density at-risk student weighting" means an addend component assigned to the enrollment of school districts pursuant to K.S.A. 72-5151(b), and amendments thereto, on the basis of costs attributable to the maintenance of at-risk educational programs by such school districts.

(r) "High enrollment weighting" means an addend component assigned to the enrollment of school districts pursuant to K.S.A. 72-5149(b), and amendments thereto, on the basis of costs attributable to maintenance of educational programs by such school districts.

(s) "Juvenile detention facility" means the same as such term is defined in K.S.A. 72-1173, and amendments thereto.

(t) "Local foundation aid" means the sum of the following amounts:

(1) An amount equal to any unexpended and unencumbered balance remaining in the general fund of the school district, except moneys received by the school district and authorized to be expended for the purposes specified in K.S.A. 72-5168, and amendments thereto;

(2) an amount equal to any remaining proceeds from taxes levied under authority of K.S.A. 72-7056 and 72-7072, prior to their repeal;

(3) an amount equal to the amount deposited in the general fund in the current school year from moneys received in such school year by the school district under the provisions of K.S.A. 72-3123(a), and amendments thereto;

(4) an amount equal to the amount deposited in the general fund in the current school year from moneys received in such school year by the school district pursuant to contracts made and entered into under authority of K.S.A. 72-3125, and amendments thereto;

(5) an amount equal to the amount credited to the general fund in the current school year from moneys distributed in such school year to the school district under the provisions of articles 17 and 34 of chapter 12 of the Kansas Statutes Annotated, and amendments thereto, and under the provisions of articles 42 and 51 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto;

(6) an amount equal to the amount of payments received by the school district under the provisions of K.S.A. 72-3423, and amendments thereto; and

(7) an amount equal to the amount of any grant received by the school district under the provisions of K.S.A. 72-3425, and amendments thereto.

(u) "Low enrollment weighting" means an addend component assigned to the enrollment of school districts pursuant to K.S.A. 72-5149(a), and amendments thereto, on the basis of costs attributable to maintenance of educational programs by such school districts.

(v) "Operating expenses" means the total expenditures and lawful transfers from

the general fund of a school district during a school year for all purposes, except expenditures for the purposes specified in K.S.A. 72-5168, and amendments thereto.

(w) "Preceding school year" means the school year immediately before the current school year.

(x) "Preschool-aged at-risk student" means an at-risk student who has attained the age of three years, is under the age of eligibility for attendance at kindergarten, and has been selected by the state board in accordance with guidelines governing the selection of students for participation in head start programs.

(y) "Preschool-aged exceptional children" means exceptional children, except gifted children, who have attained the age of three years but are under the age of eligibility for attendance at kindergarten. "Exceptional children" and "gifted children" mean the same as those terms are defined in K.S.A. 72-3404, and amendments thereto.

(z) "Psychiatric residential treatment facility" means the same as such term is defined in K.S.A. 72-1173, and amendments thereto.

(aa) (1) "Remote enrollment" means the number of students regularly enrolled in kindergarten and grades one through 12 in the school district who attended school through remote learning in excess of the remote learning limitations provided in K.S.A. 2023 Supp. 72-5180, and amendments thereto.

(2) This subsection shall not apply in any school year prior to the 2021-2022 school year.

(bb) (1) "Remote learning" means a method of providing education in which the student, although regularly enrolled in a school district, does not physically attend the attendance center such student would otherwise attend in person on a full-time basis and curriculum and instruction are prepared, provided and supervised by teachers and staff of such school district to approximate the student learning experience that would take place in the attendance center classroom.

(2) "Remote learning" does not include virtual school as such term is defined in K.S.A. 72-3712, and amendments thereto.

(3) This subsection shall not apply in any school year prior to the 2021-2022 school year.

(cc) "School district" means a school district organized under the laws of this state that is maintaining public school for a school term in accordance with the provisions of K.S.A. 72-3115, and amendments thereto.

(dd) "School facilities weighting" means an addend component assigned to the enrollment of school districts pursuant to K.S.A. 72-5156, and amendments thereto, on the basis of costs attributable to commencing operation of one or more new school facilities by such school districts.

(ee) "School year" means the 12-month period ending June 30.

(ff) "September 20" has its usual meaning, except that in any year in which September 20 is not a day on which school is maintained, it means the first day after September 20 on which school is maintained.

(gg) "Special education and related services weighting" means an addend component assigned to the enrollment of school districts pursuant to K.S.A. 72-5157, and amendments thereto, on the basis of costs attributable to the maintenance of special education and related services by such school districts.

(hh) "State board" means the state board of education.

(ii) "State foundation aid" means the amount of aid distributed to a school district

as determined by the state board pursuant to K.S.A. 72-5134, and amendments thereto.

(jj) (1) "Student" means any person who is regularly enrolled in a school district and attending kindergarten or any of the grades one through 12 maintained by the school district or who is regularly enrolled in a school district and attending kindergarten or any of the grades one through 12 in another school district in accordance with an agreement entered into under authority of K.S.A. 72-13,101, and amendments thereto, or who is regularly enrolled in a school district and attending special education services provided for preschool-aged exceptional children by the school district.

(2) (A) Except as otherwise provided in this subsection, the following shall be counted as one student:

(i) A student in attendance ~~full-time~~ full time; and

(ii) a student enrolled in a school district and attending special education and related services, provided for by the school district.

(B) The following shall be counted as $^1/_2$ student:

(i) A student enrolled in a school district and attending special education and related services for preschool-aged exceptional children provided for by the school district; and

(ii) a preschool-aged at-risk student enrolled in a school district and receiving services under an approved at-risk student assistance plan maintained by the school district.

(C) A student in attendance part-time shall be counted as that proportion of one student, to the nearest $^1/_{10}$, that the student's attendance bears to full-time attendance.

(D) A student enrolled in and attending an institution of postsecondary education that is authorized under the laws of this state to award academic degrees shall be counted as one student if the student's postsecondary education enrollment and attendance together with the student's attendance in either of the grades 11 or 12 is at least $^5/_6$ time, otherwise the student shall be counted as that proportion of one student, to the nearest $^1/_{10}$, that the total time of the student's postsecondary education attendance and attendance in grades 11 or 12, as applicable, bears to full-time attendance.

(E) A student enrolled in and attending a technical college, a career technical education program of a community college or other approved career technical education program shall be counted as one student, if the student's career technical education attendance together with the student's attendance in any of grades nine through 12 is at least $^5/_6$ time, otherwise the student shall be counted as that proportion of one student, to the nearest $^1/_{10}$, that the total time of the student's career technical education attendance and attendance in any of grades nine through 12 bears to full-time attendance.

(F) A student enrolled in a school district and attending a non-virtual school and also attending a virtual school shall be counted as that proportion of one student, to the nearest $^1/_{10}$, that the student's attendance at the non-virtual school bears to full-time attendance.

(G) A student enrolled in a school district and attending special education and related services provided for by the school district and also attending a virtual school shall be counted as that proportion of one student, to the nearest $^1/_{10}$, that the student's attendance at the non-virtual school bears to full-time attendance.

(H) A student enrolled in a school district and attending school on a part-time basis through remote learning and also attending school in person on a part-time basis shall

be counted as that proportion of one student, to the nearest $^1/_{10}$, that the student's in-person attendance bears to full-time attendance.

(I) A student enrolled in a school district who is not a resident of Kansas shall be counted as $^1/_2$ of a student.

This subparagraph shall not apply to:

(i) A student whose parent or legal guardian is an employee of the school district where such student is enrolled; or

(ii) a student who attended public school in Kansas during school year 2016-2017 and who attended public school in Kansas during the immediately preceding school year.

(3) The following shall not be counted as a student:

(A) An individual residing at the Flint Hills job corps center;

(B) except as provided in paragraph (2), an individual confined in and receiving educational services provided for by a school district at a juvenile detention facility; and

(C) an individual enrolled in a school district but housed, maintained and receiving educational services at a state institution or a psychiatric residential treatment facility.

(4) A student enrolled in virtual school pursuant to K.S.A. 72-3711 et seq., and amendments thereto, shall be counted in accordance with the provisions of K.S.A. 72-3715, and amendments thereto.

(5) A student enrolled in a school district who attends school through remote learning shall be counted in accordance with the provisions of this section and K.S.A. 2023 Supp. 72-5180, and amendments thereto.

(kk) "Total foundation aid" means an amount equal to the product obtained by multiplying the BASE aid by the adjusted enrollment of a school district.

(ll) "Transportation weighting" means an addend component assigned to the enrollment of school districts pursuant to K.S.A. 72-5148, and amendments thereto, on the basis of costs attributable to the provision or furnishing of transportation.

(mm) "Virtual school" means the same as such term is defined in K.S.A. 72-3712, and amendments thereto.";

Also on page 18, in line 17, by striking all after "K.S.A."; in line 18, by striking all before "hereby" and inserting "2023 Supp. 72-5132 is";

And by renumbering sections accordingly;

On page 1, in the title, in line 1, by striking all after "concerning"; by striking all in lines 2 through 7; in line 8, by striking all before the period and inserting "education; relating to the Kansas school equity and enhancement act; requiring school district enrollment to be determined using the current school year or preceding school year enrollment; amending K.S.A. 2023 Supp. 72-5132 and repealing the existing section";

And your committee on conference recommends the adoption of this report.

ADAM THOMAS
SUSAN ESTES
JERRY STOGSDILL
Conferees on part of House

MOLLY BAUMGARDNER
RENEE ERICKSON
DINAH SYKES
Conferees on part of Senate

Senator Baumgardner moved the Senate adopt the Conference Committee Report on **H Sub SB 73**.

On roll call, the vote was: Yeas 35; Nays 4; Present and Passing 0; Absent or Not Voting 1.

Yeas: Alley, Baumgardner, Billinger, Blasi, Bowers, Claeys, Corson, Dietrich, Doll, Erickson, Fagg, Faust-Goudeau, Gossage, Holscher, Kerschen, Kloos, Longbine, Masterson, McGinn, O'Shea, Olson, Peck, Petersen, Pettey, Pittman, Pyle, Reddi, Steffen, Straub, Sykes, Thompson, Tyson, Ware, Warren, Wilborn.

Nays: Francisco, Haley, Holland, Shallenburger.

Absent or Not Voting: Ryckman.

The Conference Committee Report was adopted.

CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to **SB 115** submits the following report:

The Senate accedes to all House amendments to the bill, and your committee on conference further agrees to amend the bill as printed with House Committee amendments, as follows:

On page 1, by striking all in lines 7 through 36;

On page 2, by striking all in lines 1 through 13; following line 13, by inserting:

"New Section 1. (a) Sections 1 through 6, and amendments thereto, shall be known and may be cited as the child advocate act.

(b) As used in the child advocate act:

(1) "Child" means any individual under 18 years of age who:

(A) Is in the custody of the secretary for children and families;

(B) may be alleged to be a child in need of care as provided in K.S.A. 38-2201 et seq., and amendments thereto;

(C) is alleged to be a child in need of care as provided in K.S.A. 38-2201 et seq.; or

(D) is currently or was receiving services or treatment from the department of corrections within the previous five years; and

(2) "office" means the office of the child advocate and includes the child advocate and staff.

New Sec. 2. (a) There is hereby established the office of the child advocate, the head of which shall be the child advocate. In the performance of the powers, duties and functions prescribed by law, the office shall be an independent state agency. The child advocate shall be appointed by the governor and subject to confirmation by the senate as provided by K.S.A. 75-4315b, and amendments thereto.

(b) (1) Except as provided by K.S.A. 46-2601, and amendments thereto, no person appointed to the position of the child advocate shall exercise any power, duty or function of the child advocate until confirmed by the senate. The child advocate shall be selected without regard to political affiliation and on the basis of integrity and capacity for effectively carrying out the duties of the office. The child advocate shall be an individual with extensive experience in the practice of case management, clinical services or legal services to children and families involved in the child welfare system.

(2) No former or current executive or manager of any program or agency or contracting entity subject to oversight by the office may be appointed to the position of the child advocate within 12 months of the end of that individual's period of service

with such program or agency.

(3) A person appointed to the position of the child advocate shall serve for a term of five years or until a successor has been appointed and confirmed.

(4) The child advocate shall be in the unclassified service and shall receive an annual salary in an amount equal to the annual salary paid by the state to a district court judge.

(5) The child advocate shall exercise independent judgment in carrying out the duties of the office.

(c) (1) Subject to this subsection, the child advocate shall have general managerial control over the office of the child advocate and shall establish the organizational structure of the office as the child advocate deems appropriate to carry out the responsibilities and functions of the office.

(2) All budgeting, purchasing, personnel and related administrative functions of the office shall be administered under the direction and supervision of the child advocate.

(3) Within the limits of appropriations therefor, the child advocate may hire such employees in the unclassified service as are necessary to administer the office. Such employees shall serve at the pleasure of the child advocate. Subject to appropriations and this subsection, the child advocate may obtain the services of other professionals necessary to independently perform the functions of the office, including obtaining legal services as provided by K.S.A. 75-769, and amendments thereto.

(4) The child advocate may enter into agreements with the secretary of administration for the provision of personnel, facility management and information technology services.

New Sec. 3. (a) The purpose of the office of the child advocate is to ensure that children and families receive adequate coordination of child welfare services for child protection and care through services offered by the Kansas department for children and families or the department's contracting entities, the department for aging and disability services, the department of corrections, the department of health and environment and juvenile courts.

(b) The office shall receive and resolve complaints that allege the Kansas department for children and families or an entity contracting with the department, by act or omission, has provided inadequate protection or care of children, failed to protect the physical or mental health, safety or welfare of any child or failed to follow established laws, rules and regulations or written policies. The child advocate shall:

(1) Establish and implement procedures for receiving, processing, responding to and resolving complaints made by or on behalf of children that relate to state agencies, service providers, including contractors and subcontractors, and any juvenile court that adversely affect or may adversely affect the health, safety and welfare of such children;

(2) provide the Kansas department for children and families with a notice of availability that describes the office and procedures for contacting the office. The department shall ensure such notice is prominently posted in department offices and facilities receiving public moneys for the care and placement of children;

(3) maintain a publicly available website;

(4) publicize and notify individuals of the office's services, purpose and contact information;

(5) compile, collect and preserve a record of complaints received and processed that may reveal concerning patterns to be addressed; and

(6) make recommendations for changes to policies, procedures or adopted or proposed rules and regulations of any state or local agency that adversely affect or may adversely affect the health, safety and welfare of any child.

(c) The office shall independently investigate complaints received pursuant to subsection (b) if the office reasonably believes the complaint's allegations may be independently verified through an investigation. To investigate, the office shall:

(1) Establish and implement procedures for investigating complaints;

(2) have access to the following information related to complaints received:

(A) The names and physical location of all children in protective services, treatment or other programs under the jurisdiction of the Kansas department for children and families or the department of corrections;

(B) all written reports of child abuse and neglect;

(C) all records as provided in K.S.A. 38-2201 et seq. and 38-2301 et seq., and amendments thereto; and

(D) all current records required to be maintained pursuant to articles 22 and 23 of chapter 38 of the Kansas Statutes Annotated, and amendments thereto;

(3) communicate privately with the following persons or entities, after consultation with treatment professionals and service providers:

(A) Any child or child's siblings; and

(B) anyone working with the child, including the family, relatives, employees of the Kansas department for children and families or the department of corrections and other persons or entities providing treatment and services;

(4) have access to, including the right to inspect and copy, relevant child records as identified for disclosure in K.S.A. 38-2201 et seq. and 38-2301 et seq., and amendments thereto;

(5) work in conjunction with juvenile intake and assessment workers, juvenile community corrections officers, guardians ad litem and court-appointed special advocates;

(6) take statements under oath and obtain judicial enforcement of compulsory processes; and

(7) subpoena materials and witnesses using the following procedures:

(A) When the office reasonably believes that materials or witnesses sought will assist in the investigation, the child advocate may issue a subpoena directing documents, reports or information to be delivered to the office at a specific time, date and place or directing a person to appear as a witness at a specific time, date and place. Such time and date shall not be sooner than seven days after the service of the subpoena, excluding Saturdays, Sundays, legal holidays and days on which the office of the clerk of the court is not accessible. The child advocate shall keep a copy of the subpoena in a special file maintained for that purpose;

(B) upon receiving service of a subpoena pursuant to this paragraph, the person or agency served shall give written notice of service to any person known to have a right to assert a privilege or assert a right of confidentiality in regard to the documents, reports or information sought at least five days before the date of delivery or appearance;

(C) any parent, child, guardian ad litem, person or entity subpoenaed or person or entity who claims a privilege or right of confidentiality may request in writing that the child advocate quash a subpoena issued pursuant to this paragraph. The request to quash

the subpoena shall be filed with the office at least 24 hours prior to the specified time and date of delivery or appearance, excluding Saturdays, Sundays, legal holidays and days on which the office of the clerk of the court is not accessible, and a copy of the written request shall be given to the person subpoenaed at least 24 hours prior to the specified time and date of delivery or appearance; and

(D) if the child advocate does not quash the subpoena, the written request shall automatically stay the operation of the subpoena until the child advocate obtains a court order for the subpoena to be honored, and the documents, reports or information requested shall not be delivered and the witness shall not appear. An appropriate district court may issue an order for the subpoena to be honored after the court has held a hearing to determine if the documents, reports or information are subject to the claimed privilege or right of confidentiality, and whether it is in the best interests of the child for the subpoena to be honored.

(d) To resolve complaints received pursuant to subsection (b), the office shall:

(1) Establish and implement procedures to resolve the complaints;

(2) independently review the subject of the complaint and after the initial review of the complaint and any accompanying material, the child advocate may recommend that a department or contracting entity:

(A) Consider the matter further;

(B) modify or cancel the department or contracting entity's actions;

(C) alter a rule, order or internal policy;

(D) explain the action further; or

(E) within a reasonable time after receiving a recommendation, provide the office information concerning the department or contracting entity action to implement or not implement recommendations made by the office pursuant to this paragraph;

(3) submit any findings or recommendations pursuant to paragraph (2) to the secretary for children and families or the secretary of corrections as appropriate;

(4) upon reason to believe a criminal investigation is warranted, make a referral of child abuse or neglect to an appropriate law enforcement agency with jurisdiction over the matter and notify the abuse, neglect and exploitation unit of the office of the attorney general; and

(5) produce reports of findings of fact or conclusions of law regarding any complaint, and, if appropriate, the attorney general may file such reports in any pending child in need of care case on behalf of the office.

(e) To assist the legislature in oversight of the child welfare system, the office may:

(1) Meet and discuss any matter in the scope of the child advocate act with the joint committee on child welfare system oversight in regular or executive session under the same duties of confidentiality provided for the child advocate;

(2) review relevant statutes, rules and regulations, policies and procedures for the health, safety and welfare of children;

(3) evaluate the effectiveness of and recommend changes to procedures for reports of child abuse and neglect for child protective services, including, but not limited to, the involvement of the Kansas department for children and families, service providers, guardians ad litem, court appointed special advocates and law enforcement agencies; and

(4) review and recommend changes to law enforcement investigative procedures for and emergency responses to reports of abuse and neglect.

(f) (1) On or before the beginning of each regular session of the legislature, the office shall prepare and submit a report to the governor, the chief justice of the supreme court and the office of judicial administration, the secretary for children and families, the president of the senate, the speaker of the house of representatives, the joint committee on child welfare oversight, the house of representatives standing committee on child welfare and foster care, the senate standing committee on judiciary, or their successor committees, and any other relevant legislative committee.

(2) Such report shall include:

(A) The number of complaints received by the office;

(B) the disposition of such complaints;

(C) the number of children involved in such complaints;

(D) the outcome of such complaints;

(E) any recommendations for changes in statute, policies, procedures or rules and regulations;

(F) the office's proposed annual budget; and

(G) any other topics that the office deems appropriate to properly perform the powers, duties and functions provided by the child advocate act.

(g) The annual budget request of the office shall be prepared by the child advocate. The child advocate shall submit an annual budget request to the division of budget. Such budget request shall be prepared and submitted in the manner provided by K.S.A. 75-3716 and 75-3717, and amendments thereto.

(h) To assist the office in the office's duties under the child advocate act, employees of the Kansas department for children and families, the department's contracting agencies, the department of corrections, juvenile intake and assessment workers, juvenile community corrections officers, guardians ad litem and court appointed special advocates shall:

(1) Work diligently, promptly and in good faith to assist the office in performing the office's powers, duties and functions provided by the child advocate act;

(2) provide full access to and production of records and information requested by the office in the office's duties provided by the act. Such access shall not be a violation of confidentiality of such records if provided and produced in good faith for the purposes of the act;

(3) require employees and contractors of such department or agency to comply with requests from the office in such office's duties provided by the act;

(4) allow employees of such department or agency to file a complaint with or provide records or information to the office without supervisory approval;

(5) not willfully interfere with or obstruct any of the office's duties provided by the act; and

(6) promptly meet and consult with the office upon request of the office.

New Sec. 4. (a) For any information obtained from a state agency or other entity under the child advocate act, the office shall be subject to the same state and federal statutory disclosure restrictions and confidentiality requirements that are applicable to the state agency or other entity providing such information to the office.

(b) Any files maintained by the office shall be confidential and disclosed only at the discretion of the child advocate, except that the identity of any complainant or child shall not be disclosed by the office unless:

(1) The complainant or child, respectively, or the complainant's or child's legal

representative, consents in writing to such disclosure; or

(2) such disclosure is required by court order.

(c) (1) Any person who, without malice, participates in any complaint or information made or provided in good faith to the office shall have immunity from any civil liability that might otherwise be incurred or imposed. This paragraph shall not be construed to protect from suit or liability when caused by the intentional or willful or wanton misconduct of a person.

(2) The child advocate, the office and any employee of the office shall be immune from civil liability, either personally or in their official capacity, including, but not limited to, claims of damage to or loss of property or personal injury that are caused by or arising out of the performance of duties of the office. This paragraph shall not be construed to protect from suit or liability when caused by the intentional or willful or wanton misconduct of a person.

(3) Any statement or communication made by the child advocate, the office or any employee of the office relevant to a complaint being investigated by the office, whether oral or written, shall be privileged and shall not be disclosed to any person or entity, be admissible in any civil action, administrative proceeding or disciplinary board of this state, be subject to discovery, subpoena or other means of legal compulsion for their release to any person or entity or be admissible in evidence in any judicial or administrative proceeding, unless the child advocate is already a party to such proceedings.

(d) A representative of the office conducting or participating in any investigation of a complaint shall not knowingly disclose to any person other than the office, or a person authorized by the office, the name of any witness examined or any information obtained or given during such investigation. Violation of this subsection is a class A nonperson misdemeanor.

(e) When the office is conducting or has conducted an investigation of a complaint, the office shall disclose the final result of the investigation with the consent of the child or child's legal representative.

(f) The office shall not be required to testify in any court with respect to matters held to be confidential in this section, except as the court may deem necessary to enforce the provisions of the child advocate act or when otherwise required by court order.

(g) The provisions of this section providing for confidentiality of records shall expire on July 1, 2029, unless the legislature acts to continue such provisions. The legislature shall review this section pursuant to K.S.A. 45-229, and amendments thereto, prior to July 1, 2029.

New Sec. 5. (a) (1) Except as provided by paragraph (2), no retaliatory action shall knowingly be taken against any child or employee of the Kansas department for children and families, an employee of the department's contracting agencies or the department of corrections for any communication made or information given to the office. Violation of this paragraph is a class A nonperson misdemeanor.

(2) Paragraph (1) shall not apply to an employee who discloses:

(A) Information that such employee knows to be false or information without regard for the truth or falsity of the information; or

(B) without lawful authority, information that is confidential as provided by any other provision of law.

(b) An employee of the office of the child advocate shall not knowingly disclose false information or disclose confidential information without lawful authority.

(c) As used in this section, "retaliatory action" includes, but is not limited to:

(1) Letters of reprimand or unsatisfactory performance evaluations;

(2) transfer;

(3) demotion;

(4) reduction in pay;

(5) denial of promotion;

(6) suspension;

(7) dismissal; and

(8) denial of employment.

New Sec. 6. Nothing in this act shall be construed to permit any governmental agency to exercise control or supervision over the child advocate or the office of the child advocate.

Sec. 7. K.S.A. 2023 Supp. 38-2211 is hereby amended to read as follows: 38-2211. (a) *Access to the official file.* The following persons or entities shall have access to the official file of a child in need of care proceeding pursuant to this code:

(1) The court having jurisdiction over the proceedings, including the presiding judge and any court personnel designated by the judge.

(2) The parties to the proceedings and their attorneys.

(3) The guardian ad litem for a child who is the subject of the proceeding.

(4) A court appointed special advocate for a child who is the subject of the proceeding or a paid staff member of a court appointed special advocate program.

(5) Any individual, or any public or private agency or institution, having custody of the child under court order or providing educational, medical or mental health services to the child or any placement provider or potential placement provider as determined by the secretary or court services officer.

(6) A citizen review board.

(7) The secretary of corrections or any agents designated by the secretary of corrections.

(8) Any county or district attorney from another jurisdiction with a pending child in need of care matter regarding any of the same parties.

(9) The office of the child advocate pursuant to the child advocate act.

(10) Any other person when authorized by a court order, subject to any conditions imposed by the order.

~~(10) The commission on judicial performance in the discharge of the commission's duties pursuant to article 32 of chapter 20 of the Kansas Statutes Annotated, and amendments thereto.~~

(11) An investigating law enforcement agency.

(b) *Access to the social file.* The following persons or entities shall have access to the social file of a child in need of care proceeding pursuant to this code:

(1) The court having jurisdiction over the proceeding, including the presiding judge and any court personnel designated by the judge.

(2) The attorney for a party to the proceeding or the person or persons designated by an Indian tribe that is a party.

(3) The guardian ad litem for a child who is the subject of the proceeding.

(4) A court appointed special advocate for a child who is the subject of the

proceeding or a paid staff member of a court appointed special advocate program.

(5) A citizen review board.

(6) The secretary.

(7) The secretary of corrections or any agents designated by the secretary of corrections.

(8) Any county or district attorney from another jurisdiction with a pending child in need of care matter regarding any of the same parties or interested parties.

(9) The office of the child advocate pursuant to the child advocate act.

(10) Any other person when authorized by a court order, subject to any conditions imposed by the order.

~~(10)~~(11) An investigating law enforcement agency.

(c) *Preservation of records.* The Kansas state historical society shall be allowed to take possession for preservation in the state archives of any court records related to proceedings under the Kansas code for care of children whenever such records otherwise would be destroyed. No such records in the custody of the Kansas state historical society shall be disclosed directly or indirectly to anyone for 70 years after creation of the records, except as provided in subsections (a) and (b). Pursuant to subsections ~~(a)(9) and (b)(9)~~ (a)(10) and (b)(10), a judge of the district court may allow inspection for research purposes of any court records in the custody of the Kansas state historical society related to proceedings under the Kansas code for care of children.

Sec. 8. K.S.A. 2023 Supp. 38-2212 is hereby amended to read as follows: 38-2212. (a) *Principle of appropriate access.* Information contained in confidential agency records concerning a child alleged or adjudicated to be in need of care may be disclosed as provided in this section and shall be disclosed as provided in subsection (e). Disclosure shall in all cases be guided by the principle of providing access only to persons or entities with a need for information that is directly related to achieving the purposes of this code.

(b) *Free exchange of information.* Pursuant to K.S.A. 38-2210, and amendments thereto, the secretary and juvenile intake and assessment agencies shall participate in the free exchange of information concerning a child who is alleged or adjudicated to be in need of care.

(c) *Necessary access.* The following persons or entities shall have access to information from agency records. Access shall be limited to information reasonably necessary to carry out their lawful responsibilities, to maintain their personal safety and the personal safety of individuals in their care, or to educate, diagnose, treat, care for or protect a child alleged to be in need of care. Information authorized to be disclosed pursuant to this subsection shall not contain information that identifies a reporter of a child who is alleged or adjudicated to be a child in need of care.

(1) A child named in the report or records, a guardian ad litem appointed for the child and the child's attorney.

(2) A parent or other person responsible for the welfare of a child, or such person's legal representative.

(3) A court-appointed special advocate for a child, a citizen review board or other advocate that reports to the court.

(4) A person licensed to practice the healing arts or mental health profession in order to diagnose, care for, treat or supervise:

(A) A child whom such service provider reasonably suspects may be in need of

care;

(B) a member of the child's family; or

(C) a person who allegedly abused or neglected the child.

(5) A person or entity licensed or registered by the secretary of health and environment or approved by the secretary for children and families to care for, treat or supervise a child in need of care.

(6) A coroner or medical examiner when such person is determining the cause of death of a child.

(7) The state child death review board established under K.S.A. 22a-243, and amendments thereto.

(8) An attorney for a private party who files a petition pursuant to K.S.A. 38-2233(b), and amendments thereto.

(9) A foster parent, prospective foster parent, permanent custodian, prospective permanent custodian, adoptive parent or prospective adoptive parent. In order to assist such persons in making an informed decision regarding acceptance of a particular child, to help the family anticipate problems that may occur during the child's placement, and to help the family meet the needs of the child in a constructive manner, the secretary shall seek and shall provide the following information to such persons as the information becomes available to the secretary:

(A) Strengths, needs and general behavior of the child;

(B) circumstances that necessitated placement;

(C) information about the child's family and the child's relationship to the family that may affect the placement;

(D) important life experiences and relationships that may affect the child's feelings, behavior, attitudes or adjustment;

(E) medical history of the child, including third-party coverage that may be available to the child; and

(F) education history, to include present grade placement, special strengths and weaknesses.

(10) The state protection and advocacy agency as provided by K.S.A. 65-5603(a)(10) or ~~K.S.A.~~ 74-5515(a)(2)(A) and (B), and amendments thereto.

(11) Any educational institution to the extent necessary to enable the educational institution to provide the safest possible environment for its pupils and employees.

(12) Any educator to the extent necessary to enable the educator to protect the personal safety of the educator and the educator's pupils.

(13) The office of the child advocate pursuant to the child advocate act.

(14) Any other federal, state or local government executive branch entity or any agent of such entity, having a need for such information in order to carry out such entity's responsibilities under the law to protect children from abuse and neglect.

(d) *Specified access.* The following persons or entities shall have access to information contained in agency records as specified. Information authorized to be disclosed pursuant to this subsection shall not contain information that identifies a reporter of a child who is alleged or adjudicated to be a child in need of care.

(1) Information from confidential agency records of the Kansas department for children and families, a law enforcement agency or any juvenile intake and assessment worker of a child alleged or adjudicated to be in need of care shall be available to members of the standing house or senate committee on judiciary, house committee on

corrections and juvenile justice, house committee on child welfare and foster care, house committee on appropriations, senate committee on ways and means, legislative post audit committee and any joint committee with authority to consider children's and families' issues, when carrying out such member's or committee's official functions in accordance with K.S.A. 75-4319, and amendments thereto, in a closed or executive meeting. Except in limited conditions established by $^2/_3$ of the members of such committee, records and reports received by the committee shall not be further disclosed. Unauthorized disclosure may subject such member to discipline or censure from the house of representatives or senate. The secretary for children and families shall not summarize the outcome of department actions regarding a child alleged to be a child in need of care in information available to members of such committees.

(2) The secretary for children and families may summarize the outcome of department actions regarding a child alleged to be a child in need of care to a person having made such report.

(3) Information from confidential reports or records of a child alleged or adjudicated to be a child in need of care may be disclosed to the public when:

(A) The individuals involved or their representatives have given express written consent; or

(B) the investigation of the abuse or neglect of the child or the filing of a petition alleging a child to be in need of care has become public knowledge, provided, however, that the agency shall limit disclosure to confirmation of procedural details relating to the handling of the case by professionals.

(e) *Law enforcement access.* The secretary shall disclose confidential agency records of a child alleged or adjudicated to be a child in need of care, as described in K.S.A. 38-2209, and amendments thereto, to the law enforcement agency investigating the alleged or substantiated report or investigation of abuse or neglect, regardless of the disposition of such report or investigation. Such records shall include, but not be limited to, any information regarding such report or investigation, records of past reports or investigations concerning such child and such child's siblings and the perpetrator or alleged perpetrator and the name and contact information of the reporter or persons alleging abuse or neglect and case managers, investigators or contracting ~~agency~~ entity employees assigned to or investigating such report. Such records shall only be used for the purposes of investigating the alleged or substantiated report or investigation of abuse or neglect.

(f) *Court order.* Notwithstanding the provisions of this section, a court of competent jurisdiction, after in camera inspection, may order disclosure of confidential agency records pursuant to a determination that the disclosure is in the best interests of the child who is the subject of the reports or that the records are necessary for the proceedings of the court. The court shall specify the terms of disclosure and impose appropriate limitations.

(g) (1) Notwithstanding any other provision of law to the contrary, except as provided in paragraph (6), in the event that child abuse or neglect results in a child fatality or near fatality, reports or records of a child alleged or adjudicated to be in need of care received by the secretary, a law enforcement agency or any juvenile intake and assessment worker shall become a public record and subject to disclosure pursuant to K.S.A. 45-215, and amendments thereto.

(2) Within seven days of receipt of a request in accordance with the procedures

adopted under K.S.A. 45-220, and amendments thereto, the secretary shall notify any affected individual that an open records request has been made concerning such records. The secretary or any affected individual may file a motion requesting the court to prevent disclosure of such record or report, or any select portion thereof. Notice of the filing of such motion shall be provided to all parties requesting the records or reports, and such party or parties shall have a right to hearing, upon request, prior to the entry of any order on such motion. If the affected individual does not file such motion within seven days of notification, and the secretary has not filed a motion, the secretary shall release the reports or records. If such motion is filed, the court shall consider the effect such disclosure may have upon an ongoing criminal investigation, a pending prosecution, or the privacy of the child, if living, or the child's siblings, parents or guardians, and the public's interest in the disclosure of such records or reports. The court shall make written findings on the record justifying the closing of the records and shall provide a copy of the journal entry to the affected parties and the individual requesting disclosure pursuant to the Kansas open records act, K.S.A. 45-215 et seq., and amendments thereto.

(3) Notwithstanding the provisions of paragraph (2), in the event that child abuse or neglect results in a child fatality, the secretary shall release the following information in response to an open records request made pursuant to the Kansas open records act, within seven business days of receipt of such request, as allowed by applicable law:

(A) Age and sex of the child;

(B) date of the fatality;

(C) a summary of any previous reports of abuse or neglect received by the secretary involving the child, along with the findings of such reports; and

(D) any department recommended services provided to the child.

(4) Notwithstanding the provisions of paragraph (2), in the event that a child fatality occurs while such child was in the custody of the secretary for children and families, the secretary shall release the following information in response to an open records request made pursuant to the Kansas open records act, within seven business days of receipt of such request, as allowed by applicable law:

(A) Age and sex of the child;

(B) date of the fatality; and

(C) a summary of the facts surrounding the death of the child.

(5) For reports or records requested pursuant to this subsection, the time limitations specified in this subsection shall control to the extent of any inconsistency between this subsection and K.S.A. 45-218, and amendments thereto. As used in this section, "near fatality" means an act that, as certified by a person licensed to practice medicine and surgery, places the child in serious or critical condition.

(6) Nothing in this subsection shall allow the disclosure of reports, records or documents concerning the child and such child's biological parents that were created prior to such child's adoption. Nothing herein is intended to require that an otherwise privileged communication lose its privileged character.

Sec. 9. K.S.A. 38-2213 is hereby amended to read as follows: 38-2213. (a) *Principle of limited disclosure*. Information contained in confidential law enforcement records concerning a child alleged or adjudicated to be in need of care may be disclosed as provided in this section. Disclosure shall in all cases be guided by the principle of providing access only to persons or entities with a need for information that is directly

related to achieving the purposes of this code.

(b) *Free exchange of information.* Pursuant to K.S.A. 38-2210, and amendments thereto, a law enforcement agency shall participate in the free exchange of information concerning a child who is alleged or adjudicated to be in need of care.

(c) *Access to information in law enforcement records.* In order to discharge their official duties, the following persons or entities shall have access to confidential law enforcement records concerning a child alleged or adjudicated to be in need of care.

(1) The court having jurisdiction over the proceedings, including the presiding judge and any court personnel designated by the judge.

(2) The secretary.

(3) The ~~commissioner of juvenile justice~~ secretary of corrections.

(4) Law enforcement officers or county or district attorneys or their staff.

(5) Any juvenile intake and assessment worker.

(6) Members of a court-appointed multidisciplinary team.

(7) The office of the child advocate pursuant to the child advocate act.

(8) Any other federal, state or local government executive branch entity, or any agent of such entity, having a need for such information in order to carry out such entity's responsibilities under law to protect children from abuse and neglect.

~~(8)~~(9) Persons or entities allowed access pursuant to ~~subsection (f) of~~ K.S.A. 38-2212(f), and amendments thereto.

(d) *Necessary access.* The following persons or entities shall have access to information from law enforcement records when reasonably necessary to carry out their lawful responsibilities, to maintain their personal safety and the personal safety of individuals in their care, or to educate, diagnose, treat, care for or protect a child alleged or adjudicated to be in need of care. Information authorized to be disclosed in this subsection shall not contain information ~~which~~ that identifies a reporter of a child alleged or adjudicated to be a child in need of care.

(1) Any individual, or public or private agency authorized by a properly constituted authority to diagnose, care for, treat or supervise a child who is the subject of a report or record of child abuse or neglect, including physicians, psychiatrists, nurses, nurse practitioners, psychologists, licensed social workers, child development specialists, physician assistants, community mental health workers, alcohol and drug abuse counselors, and licensed or registered child care providers.

(2) School administrators shall have access to but shall not copy law enforcement records and may disclose information to teachers, paraprofessionals and other school personnel as necessary to meet the educational needs of the child or to protect the safety of students and school employees.

(3) The department of health and environment or persons authorized by the department of health and environment pursuant to K.S.A. 65-512, and amendments thereto, for the purposes of carrying out responsibilities relating to licensure or registration of child care providers as required by article 5 of chapter 65 of the Kansas Statutes Annotated, and amendments thereto.

(e) *Legislative access*. Information from law enforcement records of a child alleged or adjudicated to be in need of care shall be available to members of the standing house or senate committee on judiciary, house committee on corrections and juvenile justice, house committee on appropriations, senate committee on ways and means, legislative post audit committee and any joint committee with authority to consider children's and

families' issues, when carrying out such member's or committee's official functions in accordance with K.S.A. 75-4319, and amendments thereto, in a closed or executive meeting. Except in limited conditions established by $^2/_3$ of the members of such committee, records and reports received by the committee shall not be further disclosed. Unauthorized disclosure may subject such member to discipline or censure from the house of representatives or senate.

(f) *Court order.* Notwithstanding the provisions of this section, a court of competent jurisdiction, after in camera inspection, may order disclosure of confidential law enforcement records pursuant to a determination that the disclosure is in the best interests of the child who is the subject of the reports or that the records are necessary for the proceedings of the court and otherwise admissible as evidence. The court shall specify the terms of disclosure and impose appropriate limitations.

Sec. 10. K.S.A. 38-2309 is hereby amended to read as follows: 38-2309. (a) *Official file.* The official file of proceedings pursuant to this code shall consist of the complaint, process, service of process, orders, writs and journal entries reflecting hearings held, judgments and decrees entered by the court. The official file shall be kept separate from other records of the court.

(b) The official file shall be open for public inspection, unless the judge determines that opening the official file for public inspection is not in the best interests of a juvenile who is less than 14 years of age. Information identifying victims and alleged victims of sex offenses, as defined in article 35 of chapter 21 of the Kansas Statutes Annotated, prior to their repeal, or article 55 of chapter 21 of the Kansas Statutes Annotated, or K.S.A. ~~2022 Supp.~~ 21-6419 through 21-6422, and amendments thereto, or human trafficking or aggravated human trafficking, as defined in K.S.A. 21-3446 or 21-3447, prior to their repeal, or K.S.A. ~~2022 Supp.~~ 21-5426, and amendments thereto, shall not be disclosed or open to public inspection under any circumstances. Nothing in this section shall prohibit the victim or alleged victim of any sex offense from voluntarily disclosing such victim's identity. An official file closed pursuant to this section and information identifying the victim or alleged victim of any sex offense shall be disclosed only to the following:

(1) A judge of the district court and members of the staff of the court designated by the judge;

(2) parties to the proceedings and their attorneys;

(3) any individual or any public or private agency or institution: (A) Having custody of the juvenile under court order; or (B) providing educational, medical or mental health services to the juvenile;

(4) the juvenile's court appointed special advocate;

(5) any placement provider or potential placement provider as determined by the commissioner or court services officer;

(6) law enforcement officers or county or district attorneys, or their staff, when necessary for the discharge of their official duties;

(7) the Kansas racing and gaming commission, upon written request of the commission chairperson, for the purpose provided by K.S.A. 74-8804, and amendments thereto, except that information identifying the victim or alleged victim of any sex offense shall not be disclosed pursuant to this subsection;

(8) juvenile intake and assessment workers;

(9) the ~~commissioner~~ secretary of corrections;

(10) the office of the child advocate pursuant to the child advocate act; and

(11) any other person when authorized by a court order, subject to any conditions imposed by the order~~; and~~

~~(11) the commission on judicial performance in the discharge of the commission's duties pursuant to article 32 of chapter 20 of the Kansas Statutes Annotated, and amendments thereto~~.

(c) *Social file.* (1) Reports and information received by the court, other than the official file, shall be privileged and open to inspection only by the following:

(A) Attorneys for the parties~~,~~;

(B) juvenile intake and assessment workers~~,~~;

(C) ~~court appointed~~court-appointed special advocates~~,~~;

(D) juvenile community corrections officers~~,~~;

(E) the juvenile's guardian ad litem, if any~~,~~;

(F) the office of the child advocate pursuant to the child advocate act; or ~~upon~~

(G) any other person when authorized by the order of a judge of the district court or appellate court.

(2) The reports shall not be further disclosed without approval of the court or by being presented as admissible evidence.

(d) *Preservation of records.* The Kansas state historical society shall be allowed to take possession for preservation in the state archives of any court records related to proceedings under the Kansas juvenile justice code or the revised Kansas juvenile justice code whenever such records otherwise would be destroyed. The Kansas state historical society shall make available for public inspection any unexpunged docket entry or official file in its custody concerning any juvenile 14 or more years of age at the time an offense is alleged to have been committed by the juvenile. No other such records in the custody of the Kansas state historical society shall be disclosed directly or indirectly to anyone for 70 years after creation of the records, except as provided in subsections (b) and (c). A judge of the district court may allow inspection for research purposes of any court records in the custody of the Kansas state historical society related to proceedings under the Kansas juvenile justice code or the revised Kansas juvenile justice code.

(e) Relevant information, reports and records, shall be made available to the department of corrections upon request, and a showing that the former juvenile has been convicted of a crime and placed in the custody of the secretary of corrections.

Sec. 11. K.S.A. 38-2310 is hereby amended to read as follows: 38-2310. (a) All records of law enforcement officers and agencies and municipal courts concerning an offense committed or alleged to have been committed by a juvenile under 14 years of age shall be kept readily distinguishable from criminal and other records and shall not be disclosed to anyone except:

(1) The judge of the district court and members of the staff of the court designated by the judge;

(2) parties to the proceedings and their attorneys;

(3) the Kansas department for children and families;

(4) the juvenile's court appointed special advocate, any officer of a public or private agency or institution or any individual having custody of a juvenile under court order or providing educational, medical or mental health services to a juvenile;

(5) any educational institution, to the extent necessary to enable the educational

institution to provide the safest possible environment for its pupils and employees;

(6) any educator, to the extent necessary to enable the educator to protect the personal safety of the educator and the educator's pupils;

(7) law enforcement officers or county or district attorneys, or their staff, when necessary for the discharge of their official duties;

(8) the central repository, as defined by K.S.A. 22-4701, and amendments thereto, for use only as a part of the juvenile offender information system established under K.S.A. 38-2326, and amendments thereto;

(9) juvenile intake and assessment workers;

(10) the department of corrections;

(11) juvenile community corrections officers;

(12) the interstate compact for juveniles compact administrator for the purpose of carrying out the responsibilities related to the interstate compact for juveniles;

(13) the office of the child advocate pursuant to the child advocate act;

(14) any other person when authorized by a court order, subject to any conditions imposed by the order; and

~~(14)~~(15) as provided in subsection (c).

(b) The provisions of this section shall not apply to records concerning:

(1) A violation, by a person 14 or more years of age, of any provision of chapter 8 of the Kansas Statutes Annotated, and amendments thereto, or of any city ordinance or county resolution which relates to the regulation of traffic on the roads, highways or streets or the operation of self-propelled or nonself-propelled vehicles of any kind;

(2) a violation, by a person 16 or more years of age, of any provision of chapter 32 of the Kansas Statutes Annotated, and amendments thereto; or

(3) an offense for which the juvenile is prosecuted as an adult.

(c) All records of law enforcement officers and agencies and municipal courts concerning an offense committed or alleged to have been committed by a juvenile 14 or more years of age shall be subject to the same disclosure restrictions as the records of adults. Information identifying victims and alleged victims of sex offenses, as defined in article 35 of chapter 21 of the Kansas Statutes Annotated, prior to their repeal, or article 55 of chapter 21 of the Kansas Statutes Annotated, and amendments thereto, K.S.A. ~~2022 Supp.~~ 21-6419 through 21-6422, and amendments thereto, or human trafficking or aggravated human trafficking, as defined in K.S.A. 21-3446 or 21-3447, prior to their repeal, or K.S.A. ~~2022 Supp.~~ 21-5426, and amendments thereto, shall not be disclosed or open to public inspection under any circumstances. Nothing in this section shall prohibit the victim or any alleged victim of any sex offense from voluntarily disclosing such victim's identity.

(d) Relevant information, reports and records, shall be made available to the department of corrections upon request and a showing that the former juvenile has been convicted of a crime and placed in the custody of the secretary of corrections.

(e) All records, reports and information obtained as a part of the juvenile intake and assessment process for juveniles shall be confidential, and shall not be disclosed except as provided by statutory law and rules and regulations promulgated by the secretary.

(1) Any court of record may order the disclosure of such records, reports and other information to any person or entity.

(2) The head of any juvenile intake and assessment program, certified by the secretary, may authorize disclosure of such records, reports and other information to:

(A) A person licensed to practice the healing arts who has before that person a juvenile whom the person reasonably suspects may be abused or neglected;

(B) a court-appointed special advocate for a juvenile or an agency having the legal responsibility or authorization to care for, treat or supervise a juvenile;

(C) a parent or other person responsible for the welfare of a juvenile, or such person's legal representative, with protection for the identity of persons reporting and other appropriate persons;

(D) the juvenile, the attorney and a guardian ad litem, if any, for such juvenile;

(E) the police or other law enforcement agency;

(F) an agency charged with the responsibility of preventing or treating physical, mental or emotional abuse or neglect or sexual abuse of children, if the agency requesting the information has standards of confidentiality as strict or stricter than the requirements of the Kansas code for care of children or the revised Kansas juvenile justice code, whichever is applicable;

(G) members of a multidisciplinary team under this code;

(H) an agency authorized by a properly constituted authority to diagnose, care for, treat or supervise a child who is the subject of a report or record of child abuse or neglect;

(I) any individual, or public or private agency authorized by a properly constituted authority to diagnose, care for, treat or supervise a juvenile who is the subject of a report or record of child abuse or neglect, specifically including the following: Physicians, psychiatrists, nurses, nurse practitioners, psychologists, licensed social workers, child development specialists, physician assistants, community mental health workers, addiction counselors and licensed or registered child care providers;

(J) a citizen review board pursuant to K.S.A. 38-2207, and amendments thereto;

(K) an educational institution to the extent necessary to enable such institution to provide the safest possible environment for pupils and employees of the institution;

(L) any educator to the extent necessary for the protection of the educator and pupils;

(M) any juvenile intake and assessment worker of another certified juvenile intake and assessment program; ~~and~~

(N) the interstate compact for juveniles compact administrator for the purpose of carrying out the responsibilities related to the interstate compact for juveniles; and

(O) the office of the child advocate pursuant to the child advocate act.

Sec. 12. K.S.A. 38-2213, 38-2309 and 38-2310 and K.S.A. 2023 Supp. 38-2211 and 38-2212 are hereby repealed.";

Also on page 2, in line 15, by striking "Kansas register" and inserting "statute book";

And by renumbering sections accordingly;

On page 1, in the title, in line 1, by striking all after "concerning"; by striking all in lines 2 and 3; in line 4, by striking all before the period and inserting "children and minors; establishing the office of the child advocate as an independent state agency and prescribing certain powers, duties and functions thereof; authorizing access to certain records related to children and minors by the office of the child advocate; amending K.S.A. 38-2213, 38-2309 and 38-2310 and K.S.A. 2023 Supp. 38-2211 and 38-2212 and repealing the existing sections";

And your committee on conference recommends the adoption of this report.

SUSAN CONCANNON
TIMOTHY JOHNSON
JARROD OUSLEY
Conferees on part of House

KELLIE WARREN
RICK WILBORN
ETHAN CORSON
Conferees on part of Senate

Senator Warren moved the Senate adopt the Conference Committee Report on **SB 115**.

On roll call, the vote was: Yeas 36; Nays 3; Present and Passing 0; Absent or Not Voting 1.

Yeas: Alley, Baumgardner, Billinger, Blasi, Bowers, Claeys, Corson, Dietrich, Doll, Erickson, Fagg, Faust-Goudeau, Francisco, Gossage, Haley, Holland, Holscher, Kerschen, Kloos, Longbine, Masterson, McGinn, O'Shea, Peck, Petersen, Pettey, Pittman, Pyle, Reddi, Shallenburger, Sykes, Thompson, Tyson, Ware, Warren, Wilborn.

Nays: Olson, Steffen, Straub.

Absent or Not Voting: Ryckman.

The Conference Committee Report was adopted.

CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to **SB 356** submits the following report:

The Senate accedes to all House amendments to the bill, and your committee on conference further agrees to amend the bill as printed with House Committee amendments, as follows:

On page 1, following line 9, by inserting:

"New Section 1. (a) Each utilization review entity, certified pursuant to K.S.A. 40-22a04, and amendments thereto, shall implement and maintain a prior authorization application programming interface, pursuant to 45 C.F.R. 156.223 (b), as in effect on January 1, 2028.

(b) Nothing in this section shall be construed to apply to a prior authorization request for coverage of drugs.

(c) As used in this section, "drug" means the same as defined in 45 C.F.R. 156.221 (b)(1)(v), as in effect on January 1, 2028.

(d) This section shall be a part of and supplemental to the utilization review organization act.

(e) This section shall be effective on January 1, 2028.

New Sec. 2. (a) The plan sponsor of a health benefit plan may, on behalf of health benefit plan covered persons, provide the consent to the delivery of all communications related to the plan by electronic means, otherwise required by K.S.A. 40-5804, and amendments thereto, and to the electronic delivery of any health insurance identification cards.

(b) Before providing consent on behalf of a health benefit plan covered person, pursuant to subsection (a), a plan sponsor shall confirm that such health benefit plan covered person routinely, at least once every 24 hours during the work week, uses

electronic communications during the normal course of employment of such health benefit plan covered person.

(c) Before utilizing electronic means to deliver any plan communications or health insurance identification cards, the health benefit plan shall:

(1) Provide the health benefit plan covered person with an opportunity to opt out of electronic delivery and select United States mail as the preferred method of delivery for such health benefit plan covered person; and

(2) document that all applicable requirements under K.S.A. 40-5804, and amendments thereto, have been satisfied.

Sec. 3. K.S.A. 12-2620 is hereby amended to read as follows: 12-2620. (a) All certificates granted hereunder shall be perpetual unless sooner suspended or revoked by the commissioner or the attorney general.

(b) Whenever the commissioner shall deem it necessary the commissioner may make, or direct to be made, an examination of the affairs and the financial condition of any pool. Each pool shall submit a certified independent audited financial statement ~~no~~ not later than ~~150~~ 180 days after the end of the fiscal year. The financial statement shall include outstanding reserves for claims and for claims incurred but not reported. Each pool shall file reports as to income, expenses and loss data at such times and in such manner as the commissioner shall require. Any pool ~~which~~ that does not use rates developed by an approved rating organization shall file with the commissioner an actuarial certification that such rates are actuarially sound. Whenever it appears to the commissioner from such examination or other satisfactory evidence that the ability to pay current and future claims of any such pool is impaired, or that it is doing business in violation of any of the laws of this state, or that its affairs are in an unsound condition so as to endanger its ability to pay or cause to be paid claims in the amount, manner and time due, the commissioner shall, before filing such report or making the same public, grant such pool upon reasonable notice a hearing, and, if on such hearing the report be confirmed, the commissioner may require any of the actions allowed under K.S.A. 40-222b, and amendments thereto, or suspend the certificate of authority for such pool until its ability to pay current and future claims shall have been fully restored and the laws of the state fully complied with. The commissioner may, if there is an unreasonable delay in restoring the ability to pay claims of such pool and in complying with the law or if rehabilitation or corrective action taken under K.S.A. 40-222b, and amendments thereto, is unsuccessful, revoke the certificate of authority of such pool to do business in this state. Upon revoking any such certificate the commissioner shall communicate the fact to the attorney general, whose duty it shall be to commence and prosecute an action in the proper court to dissolve such pool or to enjoin the same from doing or transacting business in this state. The commissioner of insurance may call a hearing under K.S.A. 40-222b, and amendments thereto, and the provisions thereof shall apply to group-funded pools.

(c) On an annual basis, or within 30 days of any change thereto, each pool shall supply to the commissioner the name and qualifications of the designated administrator of the pools and the terms of the specific and aggregate excess insurance contracts of the pool.";

On page 3, following line 27, by inserting:

"Sec. 5. K.S.A. 2023 Supp. 40-2c01 is hereby amended to read as follows: 40-2c01. As used in this act:

(a) "Adjusted RBC report" means an RBC report that has been adjusted by the commissioner in accordance with K.S.A. 40-2c04, and amendments thereto.

(b) "Corrective order" means an order issued by the commissioner specifying corrective actions that the commissioner has determined are required to address an RBC level event.

(c) "Domestic insurer" means any insurance company or risk retention group that is licensed and organized in this state.

(d) "Foreign insurer" means any insurance company or risk retention group not domiciled in this state that is licensed or registered to do business in this state pursuant to article 41 of chapter 40 of the Kansas Statutes Annotated, and amendments thereto, or K.S.A. 40-209, and amendments thereto.

(e) "NAIC" means the national association of insurance commissioners.

(f) "Life and health insurer" means any insurance company licensed under article 4 or 5 of chapter 40 of the Kansas Statutes Annotated, and amendments thereto, or a licensed property and casualty insurer writing only accident and health insurance.

(g) "Property and casualty insurer" means any insurance company licensed under articles 9, 10, 11, 12, 12a, 15 or 16 of chapter 40 of the Kansas Statutes Annotated, and amendments thereto, but does not include monoline mortgage guaranty insurers, financial guaranty insurers and title insurers.

(h) "Negative trend" means, with respect to a life and health insurer, a negative trend over a period of time, as determined in accordance with the "trend test calculation" included in the RBC instructions defined in subsection (j).

(i) "RBC" means risk-based capital.

(j) "RBC instructions" means the risk-based capital instructions promulgated by the NAIC that are in effect on December 31, ~~2022~~ 2023, or any later version promulgated by the NAIC as may be adopted by the commissioner under K.S.A. 40-2c29, and amendments thereto.

(k) "RBC level" means an insurer's company action level RBC, regulatory action level RBC, authorized control level RBC or mandatory control level RBC where:

(1) "Company action level RBC" means, with respect to any insurer, the product of 2.0 and its authorized control level RBC;

(2) "regulatory action level RBC" means the product of 1.5 and its authorized control level RBC;

(3) "authorized control level RBC" means the number determined under the risk-based capital formula in accordance with the RBC instructions; and

(4) "mandatory control level RBC" means the product of 0.70 and the authorized control level RBC.

(l) "RBC plan" means a comprehensive financial plan containing the elements specified in K.S.A. 40-2c06, and amendments thereto. If the commissioner rejects the RBC plan, and it is revised by the insurer, with or without the commissioner's recommendation, the plan shall be called the "revised RBC plan."

(m) "RBC report" means the report required by K.S.A. 40-2c02, and amendments thereto.

(n) "Total adjusted capital" means the sum of:

(1) An insurer's capital and surplus or surplus only if a mutual insurer; and

(2) such other items, if any, as the RBC instructions may provide.

(o) "Commissioner" means the commissioner of insurance.

Sec. 6. K.S.A. 40-1137 is hereby amended to read as follows: 40-1137. A title insurance agent may operate as an escrow, settlement or closing agent, provided that:

(a) All funds deposited with the title insurance agent in connection with an escrow, settlement or closing shall be submitted for collection to, invested in or deposited in a separate fiduciary trust account or accounts in a qualified financial institution no later than the close of the next business day, in accordance with the following requirements:

(1) The funds shall be the property of the person or persons entitled to them under the provisions of the escrow, settlement or closing agreement and shall be segregated for each depository by escrow, settlement or closing in the records of the title insurance agent in a manner that permits the funds to be identified on an individual basis;

(2) the funds shall be applied only in accordance with the terms of the individual instructions or agreements under which the funds were accepted; and

(3) an agent shall not retain any interest on any money held in an interest-bearing account without the written consent of all parties to the transaction.

(b) Funds held in an escrow account shall be disbursed only:

(1) Pursuant to written authorization of buyer and seller;

(2) pursuant to a court order; or

(3) when a transaction is closed according to the agreement of the parties.

(c) A title insurance agent shall not commingle the agent's personal funds or other moneys with escrow funds. In addition, the agent shall not use escrow funds to pay or to indemnify against the debts of the agent or of any other party. The escrow funds shall be used only to fulfill the terms of the individual escrow and none of the funds shall be utilized until the necessary conditions of the escrow have been met. All funds deposited for real estate closings, including closings involving refinances of existing mortgage loans, which exceed $2,500 shall be in one of the following forms:

(1) Lawful money of the United States;

(2) wire transfers such that the funds are unconditionally received by the title insurance agent or the agent's depository;

(3) cashier's checks, certified checks, teller's checks or bank money orders issued by a federally insured financial institution and unconditionally held by the title insurance agent;

(4) funds received from governmental entities, federally chartered instrumentalities of the United States or drawn on an escrow account of a real estate broker licensed in the state or drawn on an escrow account of a title insurer or title insurance agent licensed to do business in the state; ~~or~~

(5) other negotiable instruments ~~which~~ that have been on deposit in the escrow account at least 10 days; or

(6) a real-time or instant payment through the FedNow service operated by the federal reserve banks or the clearing house payment company's real-time payments (RTP) system.

(d) Each title insurance agent shall have an annual audit made of its escrow, settlement and closing deposit accounts, conducted by a certified public accountant or by a title insurer for which the title insurance agent has a licensing agreement. The title insurance agent shall provide a copy of the audit report to the commissioner within 30 days after the close of the calendar year for which an audit is required. Title insurance agents who are attorneys and who issue title insurance policies as part of their legal representation of clients are exempt from the requirements of this subsection. However,

the title insurer, at its expense, may conduct or cause to be conducted an annual audit of the escrow, settlement and closing accounts of the attorney. Attorneys who are exclusively in the business of title insurance are not exempt from the requirements of this subsection.

(e) The commissioner may promulgate rules and regulations setting forth the standards of the audit and the form of audit report required.

(f) If the title insurance agent is appointed by two or more title insurers and maintains fiduciary trust accounts in connection with providing escrow and closing settlement services, the title insurance agent shall allow each title insurer reasonable access to the accounts and any or all of the supporting account information in order to ascertain the safety and security of the funds held by the title insurance agent.

(g) Nothing in this section is intended to amend, alter or supersede other laws of this state or the United States, regarding an escrow holder's duties and obligations.

Sec. 7. K.S.A. 40-5801 is hereby amended to read as follows: 40-5801. The provisions of K.S.A. 40-5801 through 40-5804, and amendments thereto, and section 2, and amendments thereto, shall be known and may be cited as the electronic notice and document act.

Sec. 8. K.S.A. 40-5803 is hereby amended to read as follows: 40-5803. For the purposes of this act:

(a) "Delivered by electronic means" includes:

(1) Delivery to an electronic mail address at which a party has consented to receive notices or documents; or

(2) posting on an electronic network or site accessible via the internet, mobile application, computer, mobile device, tablet or any other electronic device, together with separate notice of the posting, which shall be provided by electronic mail to the address at which the party has consented to receive notice or by any other delivery method that has been consented to by the party.

(b) "Party" means any recipient of any notice or document required as part of an insurance transaction, including, but not limited to, an applicant, an insured, a policyholder or an annuity contract holder. "Party" does not include a "health benefit plan covered person."

(c) "Health benefit plan" means the same as in K.S.A. 40-4602, and amendments thereto. "Health benefit plan" shall also include any:

(1) Individual health insurance policy;

(2) individual or group dental insurance policy; or

(3) nonprofit dental services corporation.

(d) "Health benefit plan covered person" means a policyholder, subscriber, enrollee or other individual participating in a health benefit plan.

(e) "Insured" means an individual who is covered by an insurance policy, including a health benefit plan.

(f) "Nonprofit dental services corporation" means a nonprofit corporation organized pursuant to the nonprofit dental service corporation act, K.S.A. 40-19a01 et seq., and amendments thereto.

(g) "Plan sponsor" means the:

(1) Employer in the case of an employee benefit plan established or maintained by a single employer;

(2) employee organization in the case of a plan established or maintained by an

employee organization; or

(3) association, committee, joint board of trustees or similar group of representatives of the parties who establish or maintain the plan in the case of a plan established or maintained by two or more employers or jointly by one or more employers and one or more employee organizations.

Sec. 9. K.S.A. 40-5804 is hereby amended to read as follows: 40-5804. (a) Subject to subsection (c) or section 2, and amendments thereto, any notice to a party or any other document required under applicable law in an insurance transaction or that is to serve as evidence of insurance coverage may be delivered, stored and presented by electronic means so long as it meets the requirements of this act.

(b) Delivery of a notice or document in accordance with this section shall be considered equivalent to any delivery method required under applicable law, including delivery by first class mail; first class mail, postage prepaid; certified mail; certificate of mail; or certificate of mailing.

(c) A notice or document may be delivered by electronic means by an insurer to a party under this section if:

(1) The party has affirmatively consented to that method of delivery and has not withdrawn the consent;

(2) the party, before giving consent, is provided with a clear and conspicuous statement informing the party of:

(A) Any right or option of the party to have the notice or document provided or made available in paper or another non-electronic form;

(B) the right of the party to withdraw consent to have a notice or document delivered by electronic means and any fees, conditions or consequences imposed in the event consent is withdrawn;

(C) whether the party's consent applies: (i) Only to the particular transaction as to which the notice or document must be given; or (ii) to identified categories of notices or documents that may be delivered by electronic means during the course of the parties' relationship;

(D) (i) the means, after consent is given, by which a party may obtain a paper copy of a notice or document delivered by electronic means; and (ii) the fee, if any, for the paper copy; and

(E) the procedure a party must follow to withdraw consent to have a notice or document delivered by electronic means and to update information needed to contact the party electronically;

(3) the party, before giving consent, is provided with a statement of the hardware and software requirements for access to and retention of a notice or document delivered by electronic means; and consents electronically, or confirms consent electronically, in a manner that reasonably demonstrates that the party can access information in the electronic form that will be used for notices or documents delivered by electronic means as to which the party has given consent; and

(4) after consent of the party is given, the insurer, in the event a change in the hardware or software requirements needed to access or retain a notice or document delivered by electronic means creates a material risk that the party will not be able to access or retain a subsequent notice or document to which the consent applies, provides the party with a statement of: (A) The revised hardware and software requirements for access to and retention of a notice or document delivered by electronic means; and (B)

the right of the party to withdraw consent without the imposition of any fee, condition, or consequence that was not disclosed under subsection (c)(2).

(d) This act does not affect requirements related to content or timing of any notice or document required under applicable law.

(e) If a provision of this act or applicable law requiring a notice or document to be provided to a party or health benefit plan covered person expressly requires verification or acknowledgment of receipt of the notice or document, the notice or document may be delivered by electronic means only if the method used provides for verification or acknowledgment of receipt.

(f) The legal effectiveness, validity, or enforceability of any contract or policy of insurance executed by a party or health benefit plan covered person may not be denied solely because of the failure to obtain electronic consent or confirmation of consent of the party in accordance with subsection (c)(3) or section 2, and amendments thereto.

(g) A withdrawal of consent by a party ~~does~~ or health benefit plan covered person shall not affect the legal effectiveness, validity, or enforceability of a notice or document delivered by electronic means to the party or health benefit plan covered person before the withdrawal of consent is effective. A withdrawal of consent by a party or health benefit plan covered person is effective within a reasonable period of time after receipt of the withdrawal by the insurer. Failure by an insurer to comply with subsection (c)(4) may be treated, at the election of the party or health benefit plan covered person, as a withdrawal of consent for purposes of this section.

(h) This section does not apply to a notice or document delivered by an insurer in an electronic form before the effective date of this act to a party or health benefit plan covered person who, before that date, has consented to receive a notice or document in an electronic form otherwise allowed by law.

(i) If the consent of a party to receive certain notices or documents in an electronic form is on file with an insurer before the effective date of this act, and pursuant to this section, an insurer intends to deliver additional notices or documents to such party in an electronic form, then prior to delivering such additional notices or documents electronically, the insurer shall notify the party of the notices or documents that may be delivered by electronic means under this section that were not previously delivered electronically and the party's right to withdraw consent to have notices or documents delivered by electronic means.

(j) Notwithstanding any other provisions of this section, insurance policies and endorsements that do not contain personally identifiable information may be mailed, delivered or posted on the insurer's website. If the insurer elects to post insurance policies and endorsements on its website in lieu of mailing or delivering such policies and endorsements to the insured, such insurer shall comply with all of the following conditions:

(1) The policy and endorsements shall be easily accessible and remain that way for as long as the policy is in force;

(2) after the expiration of the policy, the insurer shall archive its expired policies and endorsements for five years and make them available upon request;

(3) the policies and endorsements shall be posted in a manner that enables the insured to print and save the policy and endorsements using programs or applications that are widely available on the internet and free to use;

(4) the insurer shall provide notice, at the time of issuance of the initial policy

forms and any renewal forms, of a method by which insureds may obtain, upon request and without charge, a paper or electronic copy of their policy or endorsements;

(5) on each declarations page issued to an insured, the insurer shall clearly identify the exact policy and endorsement forms purchased by the insured; and

(6) the insurer shall provide notice of any changes to the forms or endorsements, and of the insured's right to obtain, upon request and without charge, a paper or electronic copy of such forms or endorsements.

(k) Except as otherwise provided by law, if an oral communication or a recording of an oral communication from a party can be reliably stored and reproduced by an insurer, the oral communication or recording may qualify as a notice or document delivered by electronic means for purposes of this section. If a provision of this title or applicable law requires a signature or notice or document to be notarized, acknowledged, verified or made under oath, the requirement is satisfied if the electronic signature of the person authorized to perform those acts, together with all other information required to be included by the provision, is attached to or logically associated with the signature, notice or document.

(l) This section shall not affect any obligation of the insurer to provide notice to any person other than the insured of any notice provided to the insured.

(m) This section shall not be construed to modify, limit or supersede the provisions of the federal electronic signatures in global and national commerce act, public law 106-229, or the provisions of the uniform electronic transactions act, K.S.A. 16-1601 et seq., and amendments thereto.

(n) The provisions of the electronic notice and document act shall not apply to any mutual insurance company organized pursuant to article 12a of chapter 40 of the Kansas Statutes Annotated, and amendments thereto.

(o) The provisions of this section shall not apply to the electronic delivery of explanation of benefits and policies, including federally required summary of benefit and coverage documents, to a party by a health benefit plan.

Sec. 10. K.S.A. 44-584 is hereby amended to read as follows: 44-584. (a) The application for a new certificate shall be signed by the trustees of the trust fund created by the pool. Any application for a renewal of an existing certificate shall meet at least the standards established in K.S.A. 44-582(a)(6) through (a)(14), and amendments thereto. After evaluating the application the commissioner shall notify the applicant that the plan submitted is approved or conversely, if the plan submitted is inadequate, the commissioner shall then fully explain to the applicant what additional requirements must be met. If the application is denied, the applicant shall have 15 days to make an application for hearing by the commissioner after service of the denial notice. The hearing shall be conducted in accordance with the provisions of the Kansas administrative procedure act.

(b) An approved certificate of authority shall remain in full force and effect until such certificate is suspended or revoked by the commissioner. An existing pool operating under an approved certificate of authority must file with the commissioner, within 120 days following the close of the pool's fiscal year, a current financial statement on a form approved by the commissioner showing the financial ability of the pool to meet its obligations under the worker compensation act and confirmation of specific and aggregate excess insurance as required by law for the pool. If an existing pool's certificate of authority is suspended or revoked, such pool shall have the same

rights to a hearing by the commissioner as for applicants for new certificates of authority as set forth in subsection (a).

(c) Whenever the commissioner shall deem it necessary the commissioner may make, or direct to be made, an examination of the affairs and financial condition of any pool. Each pool shall submit a certified independent audited financial statement ~~no~~ not later than ~~150~~ 180 days after the end of the pool's fiscal year. The financial statement shall include outstanding reserves for claims and for claims incurred but not reported. Each pool shall file payroll records, accident experience and compensation reports and such other reports and statements at such times and in such manner as the commissioner shall require. Whenever it appears to the commissioner from such examination or other satisfactory evidence that the solvency of any such pool is impaired, or that it is doing business in violation of any of the laws of this state, or that its affairs are in an unsound condition so as to endanger its ability to pay or cause to be paid the compensation in the amount, manner and time due as provided for in the Kansas workers compensation act, the commissioner shall, before filing such report or making the same public, grant such pool upon reasonable notice a hearing in accordance with the provisions of the Kansas administrative procedure act, and, if on such hearing the report be confirmed, the commissioner shall suspend the certificate of authority for such pool until its solvency shall have been fully restored and the laws of the state fully complied with. The commissioner may, if there is an unreasonable delay in restoring the solvency of such pool and in complying with the law, revoke the certificate of authority of such pool to do business in this state. Upon revoking any such certificate the commissioner shall communicate the fact to the attorney general, whose duty it shall be to commence and prosecute an action in the proper court to dissolve such pool or to enjoin the same from doing or transacting business in this state. The commissioner of insurance may call a hearing under K.S.A. 40-222b, and amendments thereto, and the provisions shall apply to group workers compensation pools.

Sec. 11. K.S.A. 44-590 is hereby amended to read as follows: 44-590. (a) After the inception date of the group-funded workers' compensation pool, prospective new members of the pool shall submit an application for membership to the board of trustees or its administrator. The trustees may approve the application for membership pursuant to the bylaws of the pool. The application for membership and approval shall then be filed with the commissioner. Membership takes effect after approval.

(b) Individual members may elect to terminate their participation in a pool or be subject to cancellation by the pool pursuant to the bylaws of the pool. On termination or cancellation of a member, the pool shall ~~notify the commissioner within 10 days and shall~~ maintain coverage of each cancelled or terminating member for 30 days ~~after notice to the commissioner~~ or until ~~the commissioner~~ such cancelled or terminating member gives notice that the cancelled or terminating member has procured workers' compensation and employer's liability insurance, whichever occurs first.";

Also on page 3, in line 28, after "K.S.A." by inserting "12-2620,"; also in line 28, by striking "is" and inserting ", 40-1137, 40-5801, 40-5802, 40-5803, 40-5804, 44-584 and 44-590 and K.S.A. 2023 Supp. 40-2c01 are"; in line 30, by striking "Kansas register" and inserting "statute book";

And by renumbering sections accordingly;

On page 1, in the title, in line 1, by striking "relating to examinations" and inserting "updating certain terms, definitions and conditions relating to the requirements of

certain insurance reports, examinations and transactions"; in line 6, after "premiums" by inserting "; increasing the deadline for submission of audited financial statements of certain group-funded insurance pools from 150 to 180 days after the end of the fiscal year; updating the version of risk-based capital instructions in effect; requiring certain utilization review entities to implement a prior authorization application programming interface; permitting a plan sponsor to authorize electronic delivery of plan documents and identification cards for certain insured individuals covered by a health benefit plan; allowing title insurance agents to submit escrow, settlement and closing funds through certain real-time or instant payment systems"; also in line 6, after "K.S.A." by inserting "12-2620,"; also in line 6, after "40-223" by inserting ", 40-1137, 40-5801, 40-5803, 40-5804, 44-584 and 44-590 and K.S.A. 2023 Supp. 40-2c01"; in line 7, by striking "section" and inserting "sections; also repealing K.S.A. 40-5802";

And your committee on conference recommends the adoption of this report.

WILLIAM SUTTON
PATRICK PENN
CINDY NEIGHBOR
Conferees on part of House

JEFF LONGBINE
MICHAEL FAGG
CINDY HOLSCHER
Conferees on part of Senate

Senator Longbine moved the Senate adopt the Conference Committee Report on **SB 356**.

On roll call, the vote was: Yeas 38; Nays 1; Present and Passing 0; Absent or Not Voting 1.

Yeas: Alley, Baumgardner, Billinger, Blasi, Bowers, Claeys, Corson, Dietrich, Doll, Erickson, Fagg, Faust-Goudeau, Francisco, Gossage, Haley, Holland, Holscher, Kerschen, Kloos, Longbine, Masterson, McGinn, O'Shea, Peck, Petersen, Pettey, Pittman, Pyle, Reddi, Shallenburger, Steffen, Straub, Sykes, Thompson, Tyson, Ware, Warren, Wilborn.

Nays: Olson.

Absent or Not Voting: Ryckman.

The Conference Committee Report was adopted.

CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to **SB 359** submits the following report:

The Senate accedes to all House amendments to the bill, and your committee on conference further agrees to amend the bill as printed with House Committee of the Whole amendments, as follows:

On page 11, following line 22, by inserting:

"New Sec. 8. (a) On and after January 1, 2025, any owner or lessee of one or more passenger vehicles or trucks registered for a gross weight of 20,000 pounds or less, who is a resident of Kansas, upon compliance with the provisions of this section, may be issued one first city of Kansas license plate for each such passenger vehicle or truck. Such license plate shall be issued for the same time as other license plates upon proper

registration and payment of the regular license fee as provided in K.S.A. 8-143, and amendments thereto, and either the payment to the county treasurer of the logo use royalty payment or the presentation of the annual logo use authorization statement provided for in subsection (b).

(b) The Leavenworth county historical society may authorize the use of the organization's logo to be affixed on license plates as provided by this section. Any motor vehicle owner or lessee may apply annually to the Leavenworth county historical society for use of such logo. Such owner or lessee shall pay an amount of not less than $25 nor more than $100 to the Leavenworth county historical society as a logo use royalty payment for each such license plate to be issued. The logo use royalty payment shall be paid to either:

(1) The Leavenworth county historical society, which shall issue to the motor vehicle owner or lessee, without further charge, a logo use authorization statement that shall be presented by the motor vehicle owner or lessee at the time of registration; or

(2) the county treasurer.

(c) Any applicant for a license plate authorized by this section may make application for such license plate not less than 60 days prior to such person's renewal of registration date, on a form prescribed and furnished by the director of vehicles, and any applicant for such license plate shall either provide the annual logo use authorization statement provided for in subsection (b) or pay to the county treasurer the logo use royalty payment. Application for registration of a passenger vehicle or truck and issuance of the license plate under this section shall be made by the owner or lessee in a manner prescribed by the director of vehicles upon forms furnished by the director.

(d) No registration or license plate issued under this section shall be transferable to any other person.

(e) The director of vehicles may transfer a first city of Kansas license plate from a leased vehicle to a purchased vehicle.

(f) Renewals of registration under this section shall be made annually, upon payment of the fee prescribed in K.S.A. 8-143, and amendments thereto, and in the manner prescribed in K.S.A. 8-132, and amendments thereto. No renewal of registration shall be made to any applicant until such applicant provides to the county treasurer either the annual logo use authorization statement provided for in subsection (b) or the payment of the annual royalty payment. If such statement is not presented at the time of registration or sent by the Leavenworth county historical society, or the annual royalty payment is not made to the county treasurer, the applicant shall be required to comply with the provisions of K.S.A. 8-143, and amendments thereto, and return the license plate to the county treasurer of such person's residence.

(g) The Leavenworth county historical society shall provide to all county treasurers an electronic mail address where applicants can contact the Leavenworth county historical society for information concerning the application process or the status of such applicant's license plate application.

(h) The Leavenworth county historical society, with the approval of the director of vehicles, shall design a plate to be issued under the provisions of this section.

(i) As a condition of receiving the first city of Kansas license plate and any subsequent registration renewal of such license plate, the applicant shall consent to the division authorizing the division's release of motor vehicle record information, including the applicant's name, address, royalty payment amount, plate number and

vehicle type, to the Leavenworth county historical society and the state treasurer.

(j) The collection and remittance of annual royalty payments by the county treasurer shall be subject to the provisions of K.S.A. 8-1,141(h), and amendments thereto.

New Sec. 9. (a) Any license plate design that has not been approved for production and issuance by the division of vehicles by July 1, 2024, shall designate the county of registration for the motor vehicle that will bear such license plate. The director of vehicles may either print the horizontal abbreviation of the county of registration directly on the license plate or affix to the license plate by a decal the abbreviation of the county of registration. Except as otherwise provided in subsection (b), the provisions of this section shall apply to:

(1) Any passenger vehicle or truck as defined in K.S.A. 8-126, and amendments thereto, that is subject to taxation pursuant to K.S.A. 79-5101 et seq., and amendments thereto; or

(2) any vehicle that displays a distinctive or personalized license plate.

(b) The provisions of this section shall not apply to distinctive license plates designating a person as a recipient of the congressional medal of honor issued pursuant to K.S.A. 8-1,145, and amendments thereto.";

And by renumbering sections accordingly;

On page 1, in the title, in line 5, by striking "and" and inserting a comma; in line 6, before the semicolon by inserting "and the first city of Kansas license plate; requiring certain license plates to have the county of registration for the motor vehicle identified on the license plate";

And your committee on conference recommends the adoption of this report.

SHANNON FRANCIS
LANCE NEELLY
BARBARA BALLARD
Conferees on part of House

MIKE PETERSEN
RICK KLOOS
ETHAN CORSON
Conferees on part of Senate

Senator Petersen moved the Senate adopt the Conference Committee Report on **SB 359**.

On roll call, the vote was: Yeas 38; Nays 1; Present and Passing 0; Absent or Not Voting 1.

Yeas: Alley, Baumgardner, Billinger, Blasi, Bowers, Claeys, Corson, Dietrich, Erickson, Fagg, Faust-Goudeau, Francisco, Gossage, Haley, Holland, Holscher, Kerschen, Kloos, Longbine, Masterson, McGinn, O'Shea, Olson, Peck, Petersen, Pettey, Pittman, Pyle, Reddi, Shallenburger, Steffen, Straub, Sykes, Thompson, Tyson, Ware, Warren, Wilborn.

Nays: Doll.

Absent or Not Voting: Ryckman.

The Conference Committee Report was adopted.

CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to **SB 384** submits the following report:

The House recedes from all of its amendments to the bill, and your committee on conference further agrees to amend the bill as printed with Senate Committee amendments, as follows:

On page 1, following line 9, by inserting:

"New Section 1. (a) The provisions of sections 1 through 6, and amendments thereto, shall be known and may be cited as the Riley county unincorporated area nuisance abatement act.

(b) Before any nuisance abatement process shall be commenced under the Riley county unincorporated area nuisance abatement act, Riley county first shall have obtained a conviction for a county code violation resulting from such nuisance within the 12-month period prior to the issuance of any order as provided in section 2, and amendments thereto.

(c) (1) The board of county commissioners may order the removal or abatement of any nuisance from any lot or parcel of ground within the unincorporated area of the county. The board may order the repair or demolition of any structure or the removal or abatement of any other type of nuisance.

(2) The order shall provide that all costs associated with the abatement shall be paid by the owner of the property on which the nuisance is located.

New Sec. 2. (a) Whenever the board of county commissioners or other agency designated by the board files with the Riley county clerk a statement in writing describing a nuisance and declaring that such nuisance is a menace and dangerous to the health of the inhabitants of the county, the board of county commissioners, by resolution, may make such determination and issue an order requiring the nuisance be removed or abated.

(b) Except as provided by subsection (c), the board of county commissioners shall order the owner of the property to remove and abate the nuisance within not less than 10 days, to be specified in the order. The board or its designated representative may grant extensions of the time period indicated in the order. The order shall state that, before the expiration of the waiting period or any extension, the recipient may request a hearing before the board or its designated representative. The order shall be served on the owner by personal service in accordance with K.S.A. 60-303, and amendments thereto.

(c) If the owner of the property has failed to accept delivery or otherwise failed to effectuate receipt of a notice sent pursuant to this section during the preceding 24-month period, the board of county commissioners may provide notice of the issuance of any further orders to abate or remove a nuisance from the property in the manner provided by subsection (d) or as provided in this subsection. The board may provide notice of the order by such methods including, but not limited to, door hangers conspicuously posting notice of the order on the property, personal notification, telephone communication or first-class mail. If the property is unoccupied and the owner is a nonresident, notice provided by this section shall be given by telephone communication or first-class mail.

(d) If the owner of the property fails to comply with the order for a period longer than that named in the order or any extensions of such time period, the board of county

commissioners may proceed to order the repair or demolition of any structure and have the items described in the order removed and abated from the lot or parcel of ground. If the county abates or removes the nuisance, the county shall give notice to the owner by certified mail, return receipt requested, of the total cost of the abatement or removal incurred by the county. The notice also shall state that payment of the cost is due and payable within 60 days following the mailing of the notice.

(e) If the cost of the removal or abatement is not paid within the 60-day period, the cost shall be assessed and charged against the lot or parcel of land on which the nuisance was located. If the cost is to be assessed, the county clerk, at the time of certifying other county taxes, shall certify the costs, and the county clerk shall extend the cost on the tax roll of the county against the lot or parcel of land. Such cost shall be collected by the county treasurer.

(f) In assessing the cost of removal and abatement of a nuisance, the county shall subtract from the total cost of the abatement or removal incurred by the county the value of the property removed or abated. If the value of the property removed or abated is greater than the cost of the removal or abatement incurred by the county, the county shall pay the owner the difference. If the value of the property is contested, the property owner may request a hearing before the board or its designated representative prior to the 60 days following receipt of notice of costs due and payable under subsection (d).

(g) All orders and notices shall be served on the owner of record or, if there is more than one owner of record, then on at least one such owner.

(h) Any decision of the board of county commissioners or its designated representative is subject to review in accordance with the Kansas judicial review act.

New Sec. 3. Riley county may remove and abate from property, other than public property or property open to use by the public, a motor vehicle determined to be a nuisance. Disposition of such vehicles shall be in compliance with the procedures for impoundment, notice and public auction provided by K.S.A. 8-1102(a)(2), and amendments thereto. Following any sale by public auction of a vehicle determined to be a nuisance, the purchaser may file proof with the division of vehicles, and the division shall issue a certificate of title to the purchaser of the motor vehicle. If a public auction is conducted but no responsible bid is received, the county may file proof with the division of vehicles, and the division shall issue a certificate of title of the motor vehicle to the county. Any person whose motor vehicle has been disposed of pursuant to this section shall be eligible for a refund of the tax imposed pursuant to K.S.A. 79-5101 et seq., and amendments thereto. The amount of the refund shall be determined in the manner provided by K.S.A. 79-5107, and amendments thereto.

New Sec. 4. The board of county commissioners may adopt a resolution to establish any policies, procedures, designated body or other related matters for hearings that property owners or their agents may request pursuant to the Riley county unincorporated area nuisance abatement act.

New Sec. 5. (a) The legislature declares it is the policy of this state to protect and encourage the production and processing of food and other agricultural products. As nonagricultural uses of property continue to move into agricultural and agribusiness areas, normal agricultural and agribusiness activities can find themselves subjected to public and private claims of nuisance. Therefore, it is the legislative intent of this act to protect agricultural and agribusiness activities from nuisance actions. As such, nothing in the Riley county unincorporated area nuisance abatement act shall apply to land,

structures, machinery and equipment or motor vehicles used for an agricultural activity or oil and gas exploration and development activity.

(b) For purposes of this section, the term "agricultural activity" means the same as defined in K.S.A. 2-3203, and amendments thereto, except such term shall also include real and personal property, machinery, equipment, stored grain and agricultural input products owned or maintained by commercial grain elevators and agribusiness facilities.

New Sec. 6. The Riley county unincorporated area nuisance abatement act, sections 1 through 6, and amendments thereto, shall expire on July 1, 2027.

New Sec. 7. (a) The provisions of sections 7 through 12, and amendments thereto, shall be known and may be cited as the Crawford county unincorporated area nuisance abatement act.

(b) Before any nuisance abatement process shall be commenced under the Crawford county unincorporated area nuisance abatement act, Crawford county first shall have obtained a conviction for a county code violation resulting from such nuisance within the 12-month period prior to the issuance of any order as provided in section 8, and amendments thereto.

(c) (1) The board of county commissioners may order the removal or abatement of any nuisance from any lot or parcel of ground within the unincorporated area of the county. The board may also order the repair or demolition of any structure or the removal or abatement of any other type of nuisance.

(2) The order shall provide that all costs associated with the abatement shall be paid by the owner of the property on which the nuisance is located.

New Sec. 8. (a) Whenever the board of county commissioners or other agency designated by the board files with the Crawford county clerk a statement, in writing, describing a nuisance and declaring that such nuisance is a menace and dangerous to the health of the inhabitants of the county, the board of county commissioners, by resolution, may make such determination and issue an order requiring the nuisance be removed or abated.

(b) Except as provided by subsection (c), the board of county commissioners shall order the owner of the property to remove and abate the nuisance within not less than 10 days, to be specified in the order. The board or its designated representative may grant extensions of the time period indicated in the order. The order shall state that, before the expiration of the waiting period or any extension, the recipient may request a hearing before the board or its designated representative. The order shall be served on the owner by personal service in accordance with K.S.A. 60-303, and amendments thereto.

(c) If the owner of the property has failed to accept delivery or otherwise failed to effectuate receipt of a notice sent pursuant to this section during the preceding 24-month period, the board of county commissioners may provide notice of the issuance of any further orders to abate or remove a nuisance from the property in the manner provided by subsection (d) or as provided in this subsection. The board may provide notice of the order by such methods, including, but not limited to, door hangers conspicuously posting notice of the order on the property, personal notification, telephone communication or first-class mail. If the property is unoccupied and the owner is a nonresident, notice provided by this section shall be given by telephone communication or first-class mail.

(d) If the owner of the property fails to comply with the order for a period longer

than that named in the order or any extensions of such time period, the board of county commissioners may proceed to order the repair or demolition of any structure and have the items described in the order removed and abated from the lot or parcel of ground. If the county abates or removes the nuisance, the county shall give notice to the owner, by certified mail, with return receipt requested, of the total cost of the abatement or removal incurred by the county. The notice also shall state that payment of the cost is due and payable within 60 days following the mailing of the notice.

(e) If the cost of the removal or abatement is not paid within the 60-day period, the cost shall be assessed and charged against the lot or parcel of land on which the nuisance was located. If the cost is to be assessed, the county clerk, at the time of certifying other county taxes, shall certify the costs, and the county clerk shall extend the cost on the tax roll of the county against the lot or parcel of land. Such cost shall be collected by the county treasurer.

(f) In assessing the cost of removal and abatement of a nuisance, the county shall subtract from the total cost of the abatement or removal incurred by the county the value of the property removed or abated. If the value of the property removed or abated is greater than the cost of the removal or abatement incurred by the county, the county shall pay the owner the difference. If the value of the property is contested, the property owner may request a hearing before the board or its designated representative prior to the 60 days following receipt of notice of costs due and payable under subsection (d).

(g) All orders and notices shall be served on the owner of record or, if there is more than one owner of record, then on at least one such owner.

(h) Any decision of the board of county commissioners or its designated representative is subject to review in accordance with the Kansas judicial review act.

New Sec. 9. Crawford county may remove and abate from property, other than public property or property open to use by the public, a motor vehicle determined to be a nuisance. Disposition of such vehicles shall be in compliance with the procedures for impoundment, notice and public auction provided by K.S.A. 8-1102(a)(2), and amendments thereto. Following any sale by public auction of a vehicle determined to be a nuisance, the purchaser may file proof with the division of vehicles, and the division shall issue a certificate of title to the purchaser of the motor vehicle. If a public auction is conducted but no responsible bid is received, the county may file proof with the division of vehicles, and the division shall issue a certificate of title of the motor vehicle to the county. Any person whose motor vehicle has been disposed of pursuant to this section shall be eligible for a refund of the tax imposed pursuant to K.S.A. 79-5101 et seq., and amendments thereto. The amount of the refund shall be determined in the manner provided by K.S.A. 79-5107, and amendments thereto.

New Sec. 10. The board of county commissioners may adopt a resolution to establish any policies, procedures, designated body or other related matters for hearings that property owners or their agents may request pursuant to the Crawford county unincorporated area nuisance abatement act.

New Sec. 11. (a) The legislature declares it is the policy of this state to protect and encourage the production and processing of food and other agricultural products. As nonagricultural uses of property continue to move into agricultural and agribusiness areas, normal agricultural and agribusiness activities can find themselves subjected to public and private claims of nuisance. Therefore, it is the legislative intent of this act to protect agricultural and agribusiness activities from nuisance actions. As such, nothing

in the Crawford county unincorporated area nuisance abatement act shall apply to land, structures, machinery and equipment or motor vehicles used for an agricultural activity or oil and gas exploration and development activity.

(b) For purposes of this section, the term "agricultural activity" means the same as defined in K.S.A. 2-3203, and amendments thereto, except such term shall also include real and personal property, machinery, equipment, stored grain and agricultural input products owned or maintained by commercial grain elevators and agribusiness facilities.

New Sec. 12. The Crawford county unincorporated area nuisance abatement act, sections 7 through 12, and amendments thereto, shall expire on July 1, 2027.";

On page 4, following line 35, by inserting:

"(c) The board shall not require any ground vehicle providing interfacility transfers from any county with a population of 30,000 or less to operate with more than one person who satisfies the requirements of subsection (b) if the driver of such vehicle is certified in cardiopulmonary resuscitation.";

And by renumbering sections accordingly;

On page 1, in the title, in line 1, by striking "health and healthcare" and inserting "counties; creating the Riley county unincorporated area nuisance abatement act and the Crawford county unincorporated area nuisance abatement act; establishing procedures for the removal and abatement of nuisances; providing for the assessment of costs of such abatement"; in line 5, after the semicolon by inserting "permitting ambulances to operate with one certified emergency medical services provider in rural counties;";

And your committee on conference recommends the adoption of this report.

EMIL BERGQUIST
DOUG BLEX
LINDA FEATHERSTON
Conferees on part of House

CAROLYN MCGINN
ELAINE BOWERS
MARCI FRANCISCO
Conferees on part of Senate

Senator McGinn moved the Senate adopt the Conference Committee Report on **SB 384**.

On roll call, the vote was: Yeas 33; Nays 5; Present and Passing 1; Absent or Not Voting 1.

Yeas: Alley, Baumgardner, Billinger, Blasi, Bowers, Claeys, Corson, Dietrich, Doll, Erickson, Fagg, Faust-Goudeau, Francisco, Gossage, Holland, Holscher, Kerschen, Kloos, Longbine, Masterson, McGinn, O'Shea, Peck, Petersen, Pettey, Pyle, Reddi, Shallenburger, Sykes, Thompson, Ware, Warren, Wilborn.

Nays: Olson, Pittman, Steffen, Straub, Tyson.

Present and Passing: Haley.

Absent or Not Voting: Ryckman.

The Conference Committee Report was adopted.

CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to **SB 387** submits the following report:

The Senate accedes to all House amendments to the bill, and your committee on conference further agrees to amend the bill as printed as House Substitute for Senate Bill No. 387 with House Committee of the Whole amendments, as follows:

On page 2, following line 41, by inserting:

"(f) On the effective date of this act, the $300,000 appropriated for the above agency for the fiscal year ending June 30, 2024, by section 2(a) of chapter 98 of the 2023 Session Laws of Kansas from the state general fund in the juvenile transitional crisis center pilot account (652-00-1000-0210) is hereby lapsed.

(g) There is hereby appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2024, the following:

Operating expenditures (including official hospitality) (652-00-1000-0053).....$87,297";

On page 3, by striking all in lines 33 through 43;

On page 4, by striking all in lines 1 through 16; by striking all in lines 19 and 20; by striking all in lines 26 through 43;

On page 5, by striking all in lines 1 through 12; in line 13, by striking all before the period and inserting "*Provided,* That expenditures shall be made by the above agency from the school safety and security grants account for fiscal year 2025 for disbursements of grant moneys approved by the state board of education for the: (1) Acquisition of automated external defibrillators and routine maintenance of such devices; (2) purchase and installation of security cameras that are compatible with the firearm detection software specified in paragraph (3); and (3) notwithstanding the provisions of K.S.A. 72-1151, and amendments thereto, or any other statute, acquisition and implementation of firearm detection software that: (A) Can reduce the threat and impact of gun violence by providing a firearm detection software solution that integrates into existing security camera systems; (B) is designated as qualified anti-terrorism technology under the federal SAFETY act, 6 U.S.C. § 441 et seq.; (C) complies with industry standard information security frameworks, including ISO 27001 and SOC 2 type 2; (D) is managed through a constantly monitored operations center that is staffed by highly trained analysts to ensure rapid communication of possible threats to end users; (E) is developed in the United States without the use of any third-party or open-source data; (F) is protected by an awarded patent that includes a training database populated with frames of actual videos of firearms that were taken in relevant environments across diverse industries; (G) is utilized in at least 30 states with customers in the public and private sector; (H) does not store, monetize or collect any biometric data or personally identifiable information; and (I) is able to detect three broad firearm classifications with a minimum of 300 subclassifications and has the ability to detect at least 2,000 permutations: *Provided further,* That all moneys expended for school safety and security grants for fiscal year 2025 shall be matched by the receiving school district on a $1-for-$1 basis from other moneys of the school district that may be used for such purpose: *And provided further*, That, notwithstanding the provisions of K.S.A. 75-3739, and amendments thereto, or any other statute, not less than 30 days following the effective date of this act, the above agency shall publish a list of the entities that provide firearm detection software that meets the requirements of

paragraph (3)";

On page 6, in line 15, after "who" by inserting "have completed training in the science of reading,";

On page 7, by striking all in lines 5 through 18;

On page 11, following line 31, by inserting:

"Children's cabinet public-private
partnership pilot program.....$5,000,000

Provided, That all expenditures from the children's cabinet public-private partnership pilot program account shall be provided to a community foundation-led project that funds operational support to childcare providers in rural and frontier communities and can serve as a regional model for addressing childcare supply challenges: *Provided further,* That all such expenditures from such account shall require a match of private moneys on the basis of $1 state moneys for $1 private moneys: *And provided further,* That it is the intent of the legislature that the appropriation to the children's cabinet public-private partnership pilot program account made by this act is intended to be a one-time appropriation and that no moneys shall be appropriated to such account for fiscal year 2026.";

On page 14, in line 4, after "the" by inserting "sum of";

On page 18, in line 8, by striking "Commencing in school year 2024-2025,"; also in line 8, after "each" by inserting "participating";

On page 19, in line 13, after "Each" by inserting "particpating"; in line 39, after "Each" by inserting "participating";

On page 22, in line 42, after "Each" by inserting "participating";

On page 23, in line 7, by striking all after "students"; in line 8, by striking all before "who"; in line 12, after "(i)" by inserting "(1) For school year 2024-2025, the provisions of subsections (a) through (h) shall be implemented as a pilot program by 10 school districts selected by the state board of education for participation in such pilot program. When selecting the 10 school districts that will participate in such pilot program, the state board of education shall select a diverse array of school districts with consideration given to a school district's size, location, student demographics and level of staff participation and prior training in the science of reading.

(2) Commencing in school year 2025-2026, the provisions of subsections (a) through (h) shall be implemented by all school districts, and the school districts that were selected by the state board for the pilot program shall continue in accordance with the provisions of subsections (a) through (h).

(j)";

Also on page 23, in line 15, after "(A)" by inserting "Subject to the provisions of subsection (i),"; in line 20, after "(B)" by inserting "subject to the provisions of subsection (i),"; in line 25, after "(C)" by inserting "the expenditures made from the school district's at-risk education fund, which shall be submitted:

(i) In school year 2024-2025 by the school districts that are participating in the pilot program established pursuant to subsection (i); and

(ii) in school year 2025-2026 and each school year thereafter, by all school districts;

(D)";

On page 24, in line 18, by striking "(i)" and inserting "(j)";

And by redesignating subsections, paragraphs, subparagraphs and clauses

accordingly;

On page 35, in line 1, by striking "(1)(L)" and inserting "(1)(M)";

On page 46, in line 38, by striking "peer" and inserting "school district";

On page 47, following line 1, by inserting:

"(C) If the state board removes any program or service from the state board's list of approved at-risk educational programs and services, a school district that is implementing any such program or service may apply to the state board to continue to make expenditures from the school district's at-risk education fund to continue to implement such program or service. When considering a school district's application to continue using any such program or service, the state board shall require such school district to demonstrate that any of the following improvements are directly attributable to the program or service:

(i) Academic improvement in either mathematics or English language arts has occurred; or

(ii) an improvement in attendance, college and career readiness measures or the education climate through a showing of a measurable decrease in detentions, expulsions, tardiness or other behavioral issues that hinder student learning.";

Also on page 47, by striking all in lines 7 through 15;

On page 48, in line 34, by striking "peer" and inserting "school district";

On page 1, in the title, in line 16, by striking all after the semicolon; in line 17, by striking all before the first "to" and inserting "establishing a pilot program in school year 2024-2025 to require certain school districts"; in line 19, after the semicolon by inserting "requiring all school districts to participate in such program in school year 2025-2026;"; also in line 19, after "holding" by inserting "participating"; in line 22, by striking "expenditure" and inserting "expenditures";

And your committee on conference recommends the adoption of this report.

KRISTEY WILLIAMS
JASON GOETZ
Conferees on part of House

MOLLY BAUMGARDNER
RENEE ERICKSON
Conferees on part of Senate

The motion of Senator Baumgardner to adopt the conference committee report on **H Sub SB 387** failed.

On roll call, the vote was: Yeas 12; Nays 26; Present and Passing 1; Absent or Not Voting 1.

Yeas: Alley, Baumgardner, Claeys, Erickson, Fagg, Gossage, Kloos, Masterson, Peck, Petersen, Thompson, Warren.

Nays: Billinger, Blasi, Bowers, Corson, Dietrich, Doll, Faust-Goudeau, Francisco, Haley, Holland, Holscher, Kerschen, Longbine, McGinn, O'Shea, Olson, Pettey, Pittman, Pyle, Reddi, Shallenburger, Steffen, Straub, Sykes, Tyson, Ware.

Present and Passing: Wilborn.

Absent or Not Voting: Ryckman.

The committee report was not adopted.

Having voted on the prevailing side, Senator Blasi motioned to reconsider previous action. Motion carried.

Senator Blasi motioned to not adopt the Conference committee Report on **H Sub SB 387** and appoint new conference. Motion carried.

The President appointed Senators Baumgardner, Erickson and Sykes as third conferees on the part of the Senate.

EXPLANATION OF VOTE

I voted "NO" on **H Sub SB 387** because our state's education funding continues to be based on a Supreme Court ruling that is unconstitutional and a gross overreach of the judicial branch. Public education is a dramatic overspend for the product received. Until public education is exposed to competition via "school choice," it will continue to underachieve. School choice with funding traveling with the student is key to the ultimate success of all Kansas students.—MARK STEFFEN

CONFERENCE COMMITTEE REPORT

Senator Longbine motioned to not adopt the Conference Committee Report on **SB 423** and appoint a conference committee. Motion was adopted by voice vote.

The President appointed Senators Longbine, Fagg and Holscher a second conference on **SB 423**.

CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to **SB 438** submits the following report:

Your committee on conference agrees to disagree and recommends that a new conference committee be appointed;

And your committee on conference recommends the adoption of this report.

ADAM THOMAS
SUSAN ESTES
Conferees on part of House

MOLLY BAUMGARDNER
RENEE ERICKSON
DINAH SYKES
Conferees on part of Senator

On motion of Senator Baumgardner the Senate adopted the conference committee report on **SB 438**, and requested a new conference be appointed.

The President appointed Senators Baumgardner, Erickson and Sykes as a second Conference Committee on the part of the Senate on **SB 438**.

CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to **SB 455** submits the following report:

The Senate accedes to all House amendments to the bill, and your committee on conference further agrees to amend the bill as printed with House Committee amendments, as follows:

On page 1, by striking all in lines 17 through 34;

By striking all on pages 2 through 5;

On page 6, by striking all in lines 1 through 24; following line 24, by inserting:

"Section 1. K.S.A. 2023 Supp. 66-104 is hereby amended to read as follows: 66-104. (a) ~~The term "public utility," as~~ As used in this act, ~~shall be construed to mean~~ "public utility" means every corporation, company, individual, association of persons, their trustees, lessees or receivers, that now or hereafter may own, control, operate or manage, except for private use, any equipment, plant or generating machinery, or any part thereof, for the transmission of telephone messages or for the transmission of telegraph messages in or through any part of the state, or the conveyance of oil and gas through pipelines in or through any part of the state, except pipelines less than 15 miles in length and not operated in connection with or for the general commercial supply of gas or oil, and all companies for the production, transmission, delivery or furnishing of heat, light, water or power. No cooperative, cooperative society, nonprofit or mutual corporation or association that is engaged solely in furnishing telephone service to subscribers from one telephone line without owning or operating its own separate central office facilities, shall be subject to the jurisdiction and control of the commission as provided in this section, except that it shall not construct or extend its facilities across or beyond the territorial boundaries of any telephone company or cooperative without first obtaining approval of the commission. ~~The term~~ "Transmission of telephone messages" ~~shall include~~ includes the transmission by wire or other means of any voice, data, signals or facsimile communications, including all such communications now in existence or as may be developed in the future.

(b) ~~The term~~ "Public utility" ~~shall also include~~ includes that portion of every municipally owned or operated electric or gas utility located in an area outside of and more than three miles from the corporate limits of such municipality, but regulation of the rates, charges ~~and~~, terms and conditions of service of such utility within such area shall be subject to commission regulation only as provided in K.S.A. 66-104f, and amendments thereto. Nothing in this act shall apply to a municipally owned or operated utility, or portion thereof, located within the corporate limits of such municipality or located outside of such corporate limits but within three miles thereof.

(c) Except as provided in this section, the power and authority to control and regulate all public utilities and common carriers situated and operated wholly or principally within any city or principally operated for the benefit of such city or its people, shall be vested exclusively in such city, subject only to the right to apply for relief to the corporation commission as provided in K.S.A. 66-133, and amendments thereto, and to the provisions of K.S.A. 66-104e, and amendments thereto. A transit system principally engaged in rendering local transportation service in and between contiguous cities in this and another state by means of street railway, trolley bus and motor bus lines, or any combination thereof, shall be deemed to be a public utility as that term is used in this act and shall be subject to the jurisdiction of the commission.

(d) ~~The term~~ "Public utility" ~~shall~~ does not include any activity of an otherwise jurisdictional corporation, company, individual, association of persons, their trustees, lessees or receivers as to the marketing or sale of:

(1) Compressed natural gas for end use as motor vehicle fuel; or

(2) electricity that is purchased through a retail electric supplier in the certified territory of such retail electric supplier, as such terms are defined in K.S.A. 66-1,170, and amendments thereto, for the sole purpose of the provision of electric vehicle

charging service to end users.

(e) (1) Except as provided in paragraph (2), at the option of an otherwise jurisdictional entity, ~~the term~~ "public utility" ~~shall~~ does not include any activity or facility of such entity as to the generation, marketing and sale of electricity generated by an electric generation facility or addition to an electric generation facility that:

(A) Is newly constructed and placed in service on or after January 1, 2001; and

(B) is not in the rate base of:

(i) An electric public utility that is subject to rate regulation by the state corporation commission;

(ii) any cooperative, as defined by K.S.A. 17-4603, and amendments thereto, or any nonstock member-owned cooperative corporation incorporated in this state; or

(iii) a municipally owned or operated electric utility.

(2) The provisions of this subsection shall not be construed to affect the authority of the state corporation commission to regulate any activity or facility of an otherwise jurisdictional entity with regard to wire stringing pursuant to K.S.A. 66-183 et seq., and amendments thereto.

(f) Additional generating capacity achieved through efficiency gains by refurbishing or replacing existing equipment at generating facilities placed in service before January 1, 2001, shall not qualify under subsection (e).

(g) For purposes of the authority to appropriate property through eminent domain, ~~the term~~ "public utility" ~~shall~~ does not include any activity for the siting or placement of:

(1) Wind powered electrical generators or turbines, including the towers; or

(2) solar powered electric generation equipment, including panels.";

Also on page 6, in line 25, by striking "66-1239" and inserting "66-104";

On page 1, in the title, in line 1, by striking all after "to"; by striking all in lines 2 through 12; in line 13, by striking "facilities" and inserting "eminent domain; prohibiting public utilities from exercising eminent domain for the siting or placement of solar powered generation facilities"; also in line 13, by striking "66-1239" and inserting "66-104";

And your committee on conference recommends the adoption of this report.

LEO DELPERDANG
CARL TURNER
K C OHOEBOSIM
Conferees on part of House

MICHAEL FAGG
MIKE PETERSEN
MARCI FRANCISCO
Conferees on part of Senate

Senator Fagg moved the Senate adopt the Conference Committee Report on **SB 455**.

(Debated on 4-3-2024)

On roll call, the vote was: Yeas 36; Nays 0; Present and Passing 2; Absent or Not Voting 2.

Yeas: Alley, Baumgardner, Billinger, Bowers, Claeys, Corson, Dietrich, Doll, Erickson, Fagg, Faust-Goudeau, Francisco, Gossage, Holland, Holscher, Kloos, Longbine, Masterson, McGinn, O'Shea, Olson, Peck, Petersen, Pettey, Pittman, Pyle,

Reddi, Shallenburger, Steffen, Straub, Sykes, Thompson, Tyson, Ware, Warren, Wilborn.

Present and Passing: Blasi, Haley.

Absent or Not Voting: Kerschen, Ryckman.

The Conference Committee Report was adopted.

CONFERENCE COMMITTEE REPORT

MR. SPEAKER and MR. PRESIDENT: Your committee on conference on Senate amendments to **HB 2036** submits the following report:

The House accedes to all Senate amendments to the bill, and your committee on conference further agrees to amend the bill as printed as Senate Substitute for House Bill No. 2036, as follows:

On page 1, by striking all in lines 6 through 36;

On page 2, by striking all in lines 1 through 20; following line 20, by inserting:

"New Section 1. On July 1, 2024, the director of accounts and reports shall transfer all moneys in the local ad valorem tax reduction fund to the state general fund. On July 1, 2024, all liabilities of the local ad valorem tax reduction fund are hereby transferred to and imposed on the state general fund, and the local ad valorem tax reduction fund is hereby abolished.

New Sec. 2. On July 1, 2024, the director of accounts and reports shall transfer all moneys in the county and city revenue sharing fund to the state general fund. On July 1, 2024, all liabilities of the county and city revenue sharing fund are hereby transferred to and imposed on the state general fund, and the county and city revenue sharing fund is hereby abolished.

New Sec. 3. On August 15, 2024, and each August 15 thereafter, the director of the budget, in consultation with the director of property valuation, shall certify to the director of accounts and reports if the tax levied pursuant to K.S.A. 72-5142, and amendments thereto, is decreased from 20 mills or the exemption provided by K.S.A. 79-201x, and amendments thereto, is increased from $42,049 for any tax year. The director of the budget shall certify to the director of accounts and reports and shall transfer a copy of such certification to the director of legislative research, the amount of revenue that the decrease in property tax would have generated for the tax year if such tax was levied pursuant to K.S.A. 72-5142, and amendments thereto, at the rate of 20 mills and the difference in the amount of revenue that the increase in the exemption provided by K.S.A. 79-201x, and amendments thereto, would have generated for the tax year if the exemption amount was $42,049. Upon receipt of such certification, or as soon thereafter as moneys are available, the director of accounts and reports shall transfer such certified amount from the state general fund to the state school district finance fund of the department of education.

Sec. 4. On and after July 1, 2024, K.S.A. 65-163j is hereby amended to read as follows: 65-163j. (a) The dedicated source of revenue for repayment of a loan to a municipality may include service charges, connection fees, special assessments, property taxes, grants or any other source of revenue lawfully available to the municipality for such purpose. In order to ensure repayment by municipalities of the amounts of loans provided under this act, the secretary, after consultation with the governing body of any municipality ~~which~~ that receives a loan, may adopt charges to be levied against individuals and entities served by the project. Any such charges shall

remain in effect until the total amount of the loan, and any interest thereon, has been repaid. The charges shall, insofar as is practicable, be equitably assessed and may be in the form of a surcharge to the existing charges of the municipality. The governing body of any municipality ~~which~~ that receives a loan under this act shall collect any charges established by the secretary and shall pay the moneys collected therefrom to the secretary in accordance with procedures established by the secretary.

~~(b) Upon the failure of a municipality to meet the repayment terms and conditions of the agreement, the secretary may order the treasurer of the county in which the municipality is located to pay to the secretary such portion of the municipality's share of the local ad valorem tax reduction fund as may be necessary to meet the terms of the agreement, notwithstanding the provisions of K.S.A. 79-2960 and 79-2961, and amendments thereto. Upon the issuance of such an order, the municipality shall not be required to make the tax levy reductions otherwise required by K.S.A. 79-2960 and 79-2961, and amendments thereto.~~

~~(c)~~ Municipalities ~~which~~ that are provided with loans under this act shall maintain project accounts in accordance with generally accepted government accounting standards.

~~(d)~~(c) Any loans received by a municipality under the provisions of this act shall be construed to be bonds for the purposes of K.S.A. 10-1116 and 79-5028, and amendments thereto, and the amount of such loans shall not be included within any limitation on the bonded indebtedness of the municipality.

Sec. 5. On and after July 1, 2024, K.S.A. 65-3306 is hereby amended to read as follows: 65-3306. The secretary's annual request for appropriations to the water pollution control account shall be based on an estimate of the fiscal needs for the ensuing budget year, less any amounts received by the secretary from any public or private grants or contributions and moneys in such account shall be used solely for the purposes provided for by this act. Moneys allocated to a municipality shall be encumbered as an expenditure of this account upon the formal letting of a contract for the improvement notwithstanding the date ~~on which~~ when actual payment is made of the state financial assistance. Any municipality may contribute moneys to the state water pollution control account. If there are no uncommitted or unencumbered moneys in the water pollution control account, any municipality applying for any water pollution control project as defined in K.S.A. 65-3302, and amendments thereto, shall as a condition of such application certify in writing to the secretary that a contribution in the amount of ~~twenty-five percent (~~25%~~)~~ of the eligible cost of such project will be made to the water pollution control account by such municipality prior to formal letting of a construction contract. Upon receipt by the secretary, each such contribution shall be retained in a subaccount of the water pollution control account for use solely in the project for which the municipality has made application.

~~Notwithstanding the provisions of K.S.A. 79-2960 and 79-2961, any municipality applying for such a water pollution control project may make such contribution from all or such part of its share of the local ad valorem tax reduction fund as may be necessary for such purpose, and to the extent such fund is pledged and used for such purpose the municipality shall not be required to make the tax levy reductions otherwise required by K.S.A. 79-2960 and 79-2961. Taxes levied by any municipality by reason of its failure to make such reduction in its levies shall not be subject to or be considered in computing the aggregate limitation upon the levy of taxes by such municipality under~~

~~the provisions of K.S.A. 79-5003.~~

Sec. 6. On and after July 1, 2024, K.S.A. 65-3327 is hereby amended to read as follows: 65-3327. (a) The dedicated source of revenue for repayment of the loans may include service charges, connection fees, special assessments, property taxes, grants or any other source of revenue lawfully available to the municipality for such purpose. In order to ensure repayment by municipalities of the amounts of loans provided under K.S.A. 65-3321 through 65-3329, and amendments thereto, the secretary, after consultation with the governing body of any municipality which receives a loan, may adopt charges to be levied against users of the project. Any such charges shall remain in effect until the total amount of the loan, and any interest thereon, has been repaid. The charges shall, insofar as is practicable, be equitably assessed and may be in the form of a surcharge to the existing charges of the municipality. The governing body of any municipality which receives a loan under K.S.A. 65-3321 through 65-3329, and amendments thereto, shall collect any charges established by the secretary and shall pay the moneys collected therefrom to the secretary in accordance with procedures established by the secretary.

(b) ~~Upon the failure of a municipality to meet the repayment terms and conditions of the agreement, the secretary may order the treasurer of the county in which the municipality is located to pay to the secretary such portion of the municipality's share of the local ad valorem tax reduction fund as may be necessary to meet the terms of the agreement, notwithstanding the provisions of K.S.A. 79-2960 and 79-2961 and amendments thereto. Upon the issuance of such an order, the municipality shall not be required to make the tax levy reductions otherwise required by K.S.A. 79-2960 and 79-2961 and amendments thereto.~~

~~(c)~~ Municipalities ~~which~~ that are provided with loans under K.S.A. 65-3321 through 65-3329, and amendments thereto, shall maintain project accounts in accordance with generally accepted government accounting standards.

~~(d)~~(c) Municipalities ~~which~~ that receive a grant and an allowance under the federal act with respect to project costs for which a loan was provided under K.S.A. 65-3321 through 65-3329, and amendments thereto, shall promptly repay such loan to the extent of the allowance received under the federal act.

~~(e)~~(d) Any loans received by a municipality under the provisions of K.S.A. 65-3321 through 65-3329, and amendments thereto, shall be construed to be bonds for the purposes of K.S.A. 10-1116 and 79-5028, and amendments thereto, and the amount of such loans shall not be included within any limitation on the bonded indebtedness of the municipality.

Sec. 7. On and after July 1, 2024, K.S.A. 2023 Supp. 72-5142 is hereby amended to read as follows: 72-5142. (a) The board of education of each school district shall levy an ad valorem tax upon the taxable tangible property of the school district in the school years specified in subsection (b) for the purpose of:

(1) Financing that portion of the school district's general fund budget that is not financed from any other source provided by law;

(2) paying a portion of the costs of operating and maintaining public schools in partial fulfillment of the constitutional obligation of the legislature to finance the educational interests of the state; and

(3) with respect to any redevelopment school district established prior to July 1, 1997, pursuant to K.S.A. 12-1771, and amendments thereto, paying a portion of the

principal and interest on bonds issued by cities under authority of K.S.A. 12-1774, and amendments thereto, for the financing of redevelopment projects upon property located within the school district.

(b) The tax required under subsection (a) shall be levied at a rate of ~~20~~ 19.5 mills in the school years ~~2023-2024 and~~ 2024-2025 and 2025-2026.

(c) The proceeds from the tax levied by a district under authority of this section, except the proceeds of such tax levied for the purpose described in subsection (a)(3), shall be remitted to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the state school district finance fund.

(d) No school district shall proceed under K.S.A. 79-1964, 79-1964a or 79-1964b, and amendments thereto.

Sec. 8. On and after July 1, 2024, K.S.A. 2023 Supp. 74-8768 is hereby amended to read as follows: 74-8768. (a) There is hereby created the expanded lottery act revenues fund in the state treasury. All expenditures and transfers from such fund shall be made in accordance with appropriation acts. All moneys credited to such fund shall be expended or transferred only for the purposes of reduction of state debt, state infrastructure improvements, the university engineering initiative act~~, reduction of local ad valorem tax in the same manner as provided for allocation of amounts in the local ad valorem tax reduction fund~~ and reduction of the unfunded actuarial liability of the system attributable to the state of Kansas and participating employers under K.S.A. 74-4931, and amendments thereto, by the Kansas public employees retirement system.

(b) On July 1, 2021, July 1, 2022, July 1, 2023, July 1, 2024, July 1, 2025, July 1, 2026, July 1, 2027, July 1, 2028, July 1, 2029, July 1, 2030, and July 1, 2031, or as soon thereafter such date as moneys are available, the first $10,500,000 credited to the expanded lottery act revenues fund shall be transferred by the director of accounts and reports from the expanded lottery act revenues fund in one or more substantially equal amounts, to each of the following: The Kan-grow engineering fund – KU, Kan-grow engineering fund – KSU and Kan-grow engineering fund – WSU. Each such special revenue fund shall receive $3,500,000 annually in each of such years. Commencing in fiscal year 2014, after such transfer has been made, 50% of the remaining moneys credited to the fund shall be transferred on a quarterly basis by the director of accounts and reports from the fund to the Kansas public employees retirement system fund to be applied to reduce the unfunded actuarial liability of the system attributable to the state of Kansas and participating employers under K.S.A. 74-4931 et seq., and amendments thereto, until the system as a whole attains an 80% funding ratio as certified by the board of trustees of the Kansas public employees retirement system.

Sec. 9. On and after July 1, 2024, K.S.A. 75-2556 is hereby amended to read as follows: 75-2556. (a) The state librarian shall determine the amount of the grant-in-aid each eligible local public library is to receive based on the latest population census figures as certified by the division of the budget.

(b) Except as provided by subsection (d), no local public library shall be eligible for any state grants-in-aid if the total amount of the following paragraphs is less than the total amount produced from such sources for the same library for the previous year, based on the information contained in the official annual budgets of municipalities that are filed with the division of accounts and reports in accordance with K.S.A. 79-2930,

and amendments thereto:

(1) The amount produced by the local ad valorem tax levies for the current year expenses for such library;

~~(2) the amount of moneys received from the local ad valorem tax reduction fund for current year expenses for such library;~~

~~(3)~~ the amount of moneys received from taxes levied upon motor vehicles under the provisions of K.S.A. 79-5101 et seq., and amendments thereto, for current year expenses for such library; and

~~(4)~~(3) the amount of moneys received in the current year from collections of unpaid local ad valorem tax levies for prior year expenses for such library.

(c) Local public library districts in which the assessed valuation decreases shall remain eligible for state grants-in-aid so long as the ad valorem tax mill rate for the support of such library has not been reduced below the mill rate imposed for such purpose for the previous year.

(d) If a local public library fails to qualify for eligibility for any state grants-in-aid under subsection (b), the state librarian shall have the power to continue the eligibility of a local public library for any state grants-in-aid if the state librarian, after evaluation of all the circumstances, determines that the legislative intent for maintenance of local tax levy support for the on-going operations of the library is being met by the library district.

(e) The distribution so determined shall be apportioned and paid on February 15 of each year.

Sec. 10. On and after July 1, 2024, K.S.A. 2023 Supp. 79-201x is hereby amended to read as follows: 79-201x. ~~(a)~~ For taxable year ~~2022~~ 2024, and all taxable years thereafter, the following described property, to the extent herein specified, shall be and is hereby exempt from the property tax levied pursuant to the provisions of K.S.A. 72-5142, and amendments thereto: Property used for residential purposes to the extent of ~~$40,000~~ $100,000 of its appraised valuation.

~~(b) For taxable year 2023, and all taxable years thereafter, the dollar amount of the extent of appraised valuation that is exempt pursuant to subsection (a) shall be adjusted to reflect the average percentage change in statewide residential valuation of all residential real property for the preceding 10 years. Such average percentage change shall not be less than zero. The director of property valuation shall calculate the average percentage change for purposes of this annual adjustment and calculate the dollar amount of the extent of appraised valuation that is exempt pursuant to this section each year.~~

Sec. 11. On and after July 1, 2024, K.S.A. 79-1107 is hereby amended to read as follows: 79-1107. (a) Every national banking association and state bank located or doing business within the state shall pay to the state for the privilege of doing business within the state a tax according to or measured by its net income for the next preceding taxable year to be computed as provided in this act. Such tax shall consist of a normal tax and a surtax and shall be computed as follows:

~~(a)~~(1) (A) For tax year 2024, the normal tax shall be an amount equal to ~~2 1/4%~~ 2.25% of such net income; and

(B) for tax year 2025, and all tax years thereafter, the normal tax shall be an amount equal to 1.63% of such net income; and

~~(b)~~(2) the surtax shall be an amount equal to ~~2 1/8%~~ 2.125% of such net income in

excess of $25,000.

(b) The tax levied shall be in lieu of ad valorem taxes which might otherwise be imposed by the state or political subdivisions thereof upon shares of capital stock or the intangible assets of national banking associations and state banks.

Sec. 12. On and after July 1, 2024, K.S.A. 79-1108 is hereby amended to read as follows: 79-1108. (a) Every trust company and savings and loan association located or doing business within the state shall pay to the state for the privilege of doing business within the state a tax according to or measured by its net income for the next preceding taxable year to be computed as provided in this act. Such tax shall consist of a normal tax and a surtax and shall be computed as follows:

~~(a)~~(1) (A) For tax year 2024, the normal tax on every trust company and savings and loan association shall be an amount equal to ~~2 1/4%~~ 2.25% of such net income; and

(B) for tax year 2025, and all tax years thereafter, the normal tax on every trust company and savings and loan association shall be an amount equal to 1.61% of such net income; and

~~(b)~~(2) the surtax on every trust company and savings and loan association shall be an amount equal to ~~2 1/4%~~ 2.25% of such net income in excess of $25,000.

(b) The tax levied shall be in lieu of ad valorem taxes which might otherwise be imposed by the state or political subdivision thereof upon shares of capital stock or other intangible assets of trust companies and savings and loan associations.

Sec. 13. On and after July 1, 2024, K.S.A. 79-1479 is hereby amended to read as follows: 79-1479. (a) On or before January 15, 1992, and quarterly thereafter, the county or district appraiser shall submit to the director of property valuation a progress report indicating actions taken during the preceding quarter calendar year to implement the appraisal of property in the county or district. Whenever the director of property valuation shall determine that any county has failed, neglected or refused to properly provide for the appraisal of property or the updating of the appraisals on an annual basis in substantial compliance with the provisions of law and the guidelines and timetables prescribed by the director, the director shall file with the state board of tax appeals a complaint stating the facts upon which the director has made the determination of noncompliance as provided by K.S.A. 79-1413a, and amendments thereto. If, as a result of such proceeding, the state board of tax appeals finds that the county is not in substantial compliance with the provisions of law and the guidelines and timetables of the director of property valuation providing for the appraisal of all property in the county or the updating of the appraisals on an annual basis, it shall order the immediate assumption of the duties of the office of county appraiser by the director of the division of property valuation until such time as the director of property valuation determines that the county is in substantial compliance with the provisions of law. ~~In addition, the board shall order the state treasurer to withhold all or a portion of the county's entitlement to moneys from either or both of the local ad valorem tax reduction fund and the city and county revenue sharing fund for the year following the year in which the order is issued.~~ Upon service of any such order on the board of county commissioners, the appraiser shall immediately deliver to the director of property valuation, or the director's designee, all books, records and papers pertaining to the appraiser's office.

Any county for which the director of the division of property valuation is ordered by the state board of tax appeals to assume the responsibility and duties of the office of

county appraiser shall reimburse the state for the actual costs incurred by the director of the division of property valuation in the assumption and carrying out of such responsibility and duties, including any contracting costs in the event it is necessary for the director of property valuation to contract with private appraisal firms to carry out such responsibilities and duties.

(b) On or before June 1 of each year, the director of property valuation shall review the appraisal of property in each county or district to determine if property within the county or district is being appraised or valued in accordance with the requirements of law. If the director determines the property in any county or district is not being appraised in accordance with the requirements of law, the director of property valuation shall notify the county or district appraiser and the board of county commissioners of any county or counties affected that the county has 30 days within which to submit to the director a plan for bringing the appraisal of property within the county into compliance.

If a plan is submitted and approved by the director the county or district shall proceed to implement the plan as submitted. The director shall continue to monitor the program to insure that the plan is implemented as submitted. If no plan is submitted or if the director does not approve the plan, the director shall petition the state board of tax appeals for a review of the plan or, if no plan is submitted, for authority for the division of property valuation to assume control of the appraisal program of the county and to proceed to bring the same into compliance with the requirements of law.

If the state board of tax appeals approves the plan, the county or district appraiser shall proceed to implement the plan as submitted. If no plan has been submitted or the plan submitted is not approved, the board shall fix a time within which the county may submit a plan or an amended plan for approval. If no plan is submitted and approved within the time prescribed by the board, the board shall order the division of property valuation to assume control of the appraisal program of the county ~~and shall certify its order to the state treasurer who shall withhold distributions of the county's share of moneys from the county and city revenue sharing fund and the local ad valorem tax reduction fund and credit the same to the general fund of the state for the year following the year in which the board's order is made~~. The director of property valuation shall certify the amount of the cost incurred by the division in bringing the program in compliance to the state board of tax appeals. The board shall order the county commissioners to reimburse the state for such costs.

(c) The state board of tax appeals shall within 60 days after the publication of the Kansas assessment/sales ratio study review such publication to determine county compliance with K.S.A. 79-1439, and amendments thereto. If in the determination of the board one or more counties are not in substantial compliance and the director of property valuation has not acted under subsection (b), the board shall order the director of property valuation to take such corrective action as is necessary or to show cause for noncompliance.

Sec. 14. On and after July 1, 2024, K.S.A. 2023 Supp. 79-2988 is hereby amended to read as follows: 79-2988. (a) On or before June 15 each year, the county clerk shall calculate the revenue neutral rate for each taxing subdivision and include such revenue neutral rate on the notice of the estimated assessed valuation provided to each taxing subdivision for budget purposes. The director of accounts and reports shall modify the prescribed budget information form to show the revenue neutral rate.

(b) No tax rate in excess of the revenue neutral rate shall be levied by the governing body of any taxing subdivision unless a resolution or ordinance has been approved by the governing body according to the following procedure:

(1) At least 10 days in advance of the public hearing, the governing body shall publish notice of its proposed intent to exceed the revenue neutral rate by publishing notice:

(A) On the website of the governing body, if the governing body maintains a website; and

(B) in a weekly or daily newspaper of the county having a general circulation therein. The notice shall include, but not be limited to, its proposed tax rate, its revenue neutral rate and the date, time and location of the public hearing.

(2) On or before July 20, the governing body shall notify the county clerk of its proposed intent to exceed the revenue neutral rate and provide the date, time and location of the public hearing and its proposed tax rate. For all tax years commencing after December 31, 2021, the county clerk shall notify each taxpayer with property in the taxing subdivision, by mail directed to the taxpayer's last known address, of the proposed intent to exceed the revenue neutral rate at least 10 days in advance of the public hearing. Alternatively, the county clerk may transmit the notice to the taxpayer by electronic means at least 10 days in advance of the public hearing, if such taxpayer and county clerk have consented in writing to service by electronic means. The county clerk shall consolidate the required information for all taxing subdivisions relevant to the taxpayer's property on one notice. The notice shall be in a format prescribed by the director of accounts and reports. The notice shall include, but not be limited to:

(A) The revenue neutral rate of each taxing subdivision relevant to the taxpayer's property;

(B) the proposed property tax revenue needed to fund the proposed budget of the taxing subdivision, if the taxing subdivision notified the county clerk of its proposed intent to exceed its revenue neutral rate;

(C) the proposed tax rate based upon the proposed budget and the current year's total assessed valuation of the taxing subdivision, if the taxing subdivision notified the county clerk of its proposed intent to exceed its revenue neutral rate;

(D) the percentage by which the proposed tax rate exceeds the revenue neutral rate;

(E) the tax rate and property tax of each taxing subdivision on the taxpayer's property from the previous year's tax statement;

(F) the appraised value and assessed value of the taxpayer's property for the current year;

(G) the estimates of the tax for the current tax year on the taxpayer's property based on the revenue neutral rate of each taxing subdivision and any proposed tax rates that exceed the revenue neutral rates;

(H) the difference between the estimates of tax based on the proposed tax rate and the revenue neutral rate on the taxpayer's property described in subparagraph (G) for any taxing subdivision that has a proposed tax rate that exceeds its revenue neutral rate; and

(I) the date, time and location of the public hearing of the taxing subdivision, if the taxing subdivision notified the county clerk of its proposed intent to exceed its revenue neutral rate.

Although the state of Kansas is not a taxing subdivision for purposes of this section,

the notice shall include a statement of the statutory mill levies imposed by the state and the estimate of the tax for the current year on the taxpayer's property based on such levies.

(3) The public hearing to consider exceeding the revenue neutral rate shall be held not sooner than August 20 and not later than September 20. The governing body shall provide interested taxpayers desiring to be heard an opportunity to present oral testimony within reasonable time limits and without unreasonable restriction on the number of individuals allowed to make public comment. The public hearing may be conducted in conjunction with the proposed budget hearing pursuant to K.S.A. 79-2929, and amendments thereto, if the governing body otherwise complies with all requirements of this section. Nothing in this section shall be construed to prohibit additional public hearings that provide additional opportunities to present testimony or public comment prior to the public hearing required by this section.

(4) A majority vote of the governing body, by the adoption of a resolution or ordinance to approve exceeding the revenue neutral rate, shall be required prior to adoption of a proposed budget that will result in a tax rate in excess of the revenue neutral rate. Such vote of the governing body shall be conducted at the public hearing after the governing body has heard from interested taxpayers and shall be a roll call vote. If the governing body approves exceeding the revenue neutral rate, the governing body shall not adopt a budget that results in a tax rate in excess of its proposed tax rate as stated in the notice provided pursuant to this section. A copy of the resolution or ordinance to approve exceeding the revenue neutral rate and a certified copy of any roll call vote reporting, at a minimum, the name and vote of each member of the governing body related to exceeding the revenue neutral rate, whether approved or not, shall be included with the adopted budget, budget certificate and other budget forms filed with the county clerk and the director of accounts and reports and shall be published on the website of the department of administration.

(c) (1) Any governing body subject to the provisions of this section that does not comply with subsection (b) shall refund to taxpayers any property taxes over-collected based on the amount of the levy that was in excess of the revenue neutral rate.

(2) Any taxpayer of the taxing subdivision that is the subject of the complaint or such taxpayer's duly authorized representative may file a complaint with the state board of tax appeals by filing a written complaint, on a form prescribed by the board, that contains the facts that the complaining party believes show that a governing body of a taxing subdivision did not comply with the provisions of subsection (b) and that a reduction or refund of taxes is appropriate. The complaining party shall provide a copy of such complaint to the governing body of the taxing subdivision making the levy that is the subject of the complaint. Notwithstanding K.S.A. 74-2438a, and amendments thereto, no filing fee shall be charged by the executive director of the state board of tax appeals for a complaint filed pursuant to this paragraph. The governing body of the taxing subdivision making the levy that is the subject of the complaint shall be a party to the proceeding. Notice of any summary proceeding or hearing shall be served upon such governing body, the county clerk, the director of accounts and reports and the complaining party. It shall be the duty of the governing body to initiate the production of evidence to demonstrate, by a preponderance of the evidence, the validity of such levy. If upon a summary proceeding or hearing, it shall be made to appear to the satisfaction of the board that the governing body of the taxing subdivision did not

comply with subsection (b), the state board of tax appeals shall order such governing body to refund to taxpayers the amount of property taxes over collected or reduce the taxes levied, if uncollected. The provisions of this paragraph shall not be construed as prohibiting any other remedies available under the law.

(d) On and after January 1, 2022, in the event that the ~~20 mills~~ tax levied by a school district pursuant to K.S.A. 72-5142, and amendments thereto, increases the property tax revenue generated for the purpose of calculating the revenue neutral rate from the previous tax year and such amount of increase in revenue generated from ~~the 20 mills~~ such tax levied is the only reason that the school district would exceed the total property tax revenue from the prior year, the school district shall be deemed to not have exceeded the revenue neutral rate in levying a tax rate in excess of the revenue neutral rate to take into account the increase in revenue from only ~~the 20 mills~~ such tax levied.

(e) (1) Notwithstanding any other provision of law to the contrary, if the governing body of a taxing subdivision must conduct a public hearing to approve exceeding the revenue neutral rate under this section, the governing body of the taxing subdivision shall certify, on or before October 1, to the proper county clerk the amount of ad valorem tax to be levied.

(2) If a governing body of a taxing subdivision did not comply with the provisions of subsection (b) and certifies to the county clerk an amount of ad valorem tax to be levied that would result in a tax rate in excess of its revenue neutral rate, the county clerk shall reduce the ad valorem tax to be levied to the amount resulting from such taxing subdivision's revenue neutral rate.

(f) As used in this section:

(1) "Taxing subdivision" means any political subdivision of the state that levies an ad valorem tax on property.

(2) "Revenue neutral rate" means the tax rate for the current tax year that would generate the same property tax revenue as levied the previous tax year using the current tax year's total assessed valuation. To calculate the revenue neutral rate, the county clerk shall divide the property tax revenue for such taxing subdivision levied for the previous tax year by the total of all taxable assessed valuation in such taxing subdivision for the current tax year, and then multiply the quotient by 1,000 to express the rate in mills. The revenue neutral rate shall be expressed to the third decimal place.

(g) In the event that a county clerk incurred costs of printing and postage that were not reimbursed pursuant to K.S.A. 2023 Supp. 79-2989, and amendments thereto, such county clerk may seek reimbursement from all taxing subdivisions required to send the notice. Such costs shall be shared proportionately by all taxing subdivisions that were included on the same notice based on the total property tax levied by each taxing subdivision. Payment of such costs shall be due to the county clerk by December 31.

(h) The department of administration or the director of accounts and reports shall make copies of adopted budgets, budget certificates, other budget documents and revenue neutral rate documents available to the public on the department of administration's website on a permanently accessible web page that may be accessed via a conspicuous link to that web page placed on the front page of the department's website. The department of administration or the director of accounts and reports shall also make the following information for each tax year available on such website:

(1) A list of taxing subdivisions by county;

(2) whether each taxing subdivision conducted a hearing to consider exceeding its

revenue neutral rate;

(3) the revenue neutral rate of each taxing subdivision;

(4) the tax rate resulting from the adopted budget of each taxing subdivision; and

(5) the percent change between the revenue neutral rate and the tax rate for each taxing subdivision.

Sec. 15. On and after July 1, 2024, K.S.A. 2023 Supp. 79-32,110 is hereby amended to read as follows: 79-32,110. (a) *Resident individuals.* Except as otherwise provided by K.S.A. 79-3220(a), and amendments thereto, a tax is hereby imposed upon the Kansas taxable income of every resident individual, which tax shall be computed in accordance with the following tax schedules:

(1) *Married individuals filing joint returns.*

(A) ~~For tax year 2012:~~

~~If the taxable income is:~~	~~The tax is:~~
~~Not over $30,000~~	~~3.5% of Kansas taxable income~~
~~Over $30,000 but not over $60,000~~	~~$1,050 plus 6.25% of excess over $30,000~~
~~Over $60,000~~	~~$2,925 plus 6.45% of excess over $60,000~~

~~(B) For tax year 2013:~~

~~If the taxable income is:~~	~~The tax is:~~
~~Not over $30,000~~	~~3.0% of Kansas taxable income~~
~~Over $30,000~~	~~$900 plus 4.9% of excess over $30,000~~

~~(C) For tax year 2014:~~

~~If the taxable income is:~~	~~The tax is:~~
~~Not over $30,000~~	~~2.7% of Kansas taxable income~~
~~Over $30,000~~	~~$810 plus 4.8% of excess over $30,000~~

~~(D) For tax years 2015 and 2016:~~

~~If the taxable income is:~~	~~The tax is:~~
~~Not over $30,000~~	~~2.7% of Kansas taxable income~~
~~Over $30,000~~	~~$810 plus 4.6% of excess over $30,000~~

~~(E) For tax year 2017:~~

~~If the taxable income is:~~	~~The tax is:~~
~~Not over $30,000~~	~~2.9% of Kansas taxable income~~
~~Over $30,000 but not over $60,000~~	~~$870 plus 4.9% of excess over $30,000~~
~~Over $60,000~~	~~$2,340 plus 5.2% of excess over $60,000~~

~~(F)~~ For tax ~~year~~ years 2018~~, and all tax years thereafter~~ through 2023:

If the taxable income is:	The tax is:
Not over $30,000	3.1% of Kansas taxable income
Over $30,000 but not over $60,000	$930 plus 5.25% of excess over $30,000
Over $60,000	$2,505 plus 5.7% of excess over $60,000

(B) For tax year 2024, and all tax years thereafter:

If the taxable income is:	The tax is:
Not over $30,000	3.1% of Kansas taxable income
Over $30,000 but not over $60,000	$930 plus 5.25% of excess over $30,000
Over $60,000	$2,505 plus 5.5% of excess over $60,000

(2) *All other individuals.*

(A) ~~For tax year 2012:~~

~~If the taxable income is:~~	~~The tax is:~~
~~Not over $15,000~~	~~3.5% of Kansas taxable income~~
~~Over $15,000 but not over $30,000~~	~~$525 plus 6.25% of excess over $15,000~~
~~Over $30,000~~	~~$1,462.50 plus 6.45% of excess over $30,000~~

~~(B) For tax year 2013:~~

~~If the taxable income is:~~	~~The tax is:~~
~~Not over $15,000~~	~~3.0% of Kansas taxable income~~
~~Over $15,000~~	~~$450 plus 4.9% of excess over $15,000~~

~~(C) For tax year 2014:~~

~~If the taxable income is:~~	~~The tax is:~~
~~Not over $15,000~~	~~2.7% of Kansas taxable income~~
~~Over $15,000~~	~~$405 plus 4.8% of excess over $15,000~~

~~(D) For tax years 2015 and 2016:~~

~~If the taxable income is:~~	~~The tax is:~~
~~Not over $15,000~~	~~2.7% of Kansas taxable income~~
~~Over $15,000~~	~~$405 plus 4.6% of excess over $15,000~~

~~(E) For tax year 2017:~~

~~If the taxable income is:~~	~~The tax is:~~
~~Not over $15,000~~	~~2.9% of Kansas taxable income~~
~~Over $15,000 but not over $30,000~~	~~$435 plus 4.9% of excess over $15,000~~
~~Over $30,000~~	~~$1,170 plus 5.2% of excess over $30,000~~

~~(F)~~ For tax ~~year~~ years 2018~~, and all tax years thereafter~~ through 2023:

If the taxable income is:	The tax is:
Not over $15,000	3.1% of Kansas taxable income
Over $15,000 but not over $30,000	$465 plus 5.25% of excess over $15,000
Over $30,000	$1,252.50 plus 5.7% of excess over $30,000

(B) For tax year 2024, and all tax years thereafter:

If the taxable income is:	The tax is:
Not over $15,000	3.1% of Kansas taxable income

Over $15,000 but not over $30,000	$465 plus 5.25% of excess over $15,000
Over $30,000	$1,252.50 plus 5.5% of excess over $30,000

(b) *Nonresident individuals.* A tax is hereby imposed upon the Kansas taxable income of every nonresident individual, which tax shall be an amount equal to the tax computed under subsection (a) as if the nonresident were a resident multiplied by the ratio of modified Kansas source income to Kansas adjusted gross income.

(c) *Corporations.* A tax is hereby imposed upon the Kansas taxable income of every corporation doing business within this state or deriving income from sources within this state. Such tax shall consist of a normal tax and a surtax and shall be computed as follows unless otherwise modified pursuant to K.S.A. 2023 Supp. 74-50,321, and amendments thereto:

(1) The normal tax shall be in an amount equal to 4% of the Kansas taxable income of such corporation; and

(2) the surtax shall be in an amount equal to 3% of the Kansas taxable income of such corporation in excess of $50,000.

(d) *Fiduciaries.* A tax is hereby imposed upon the Kansas taxable income of estates and trusts at the rates provided in subsection (a)(2)~~ hereof~~.

(e) Notwithstanding the provisions of subsections (a) and (b)~~: (1) For tax years 2016 and 2017, married individuals filing joint returns with taxable income of $12,500 or less, and all other individuals with taxable income of $5,000 or less, shall have a tax liability of zero; and (2)~~, for tax year 2018, and all tax years thereafter, married individuals filing joint returns with taxable income of $5,000 or less, and all other individuals with taxable income of $2,500 or less, shall have a tax liability of zero.

~~(f) No taxpayer shall be assessed penalties and interest arising from the underpayment of taxes due to changes to the rates in subsection (a) that became law on July 1, 2017, so long as such underpayment is rectified on or before April 17, 2018.~~

Sec. 16. On and after July 1, 2024, K.S.A. 79-32,111c is hereby amended to read as follows: 79-32,111c. (a) There shall be allowed as a credit against the tax liability of a resident individual imposed under the Kansas income tax act an amount equal to 12.5% for tax year 2018; an amount equal to 18.75% for tax year 2019;~~ and~~ an amount equal to 25% for tax~~ year~~ years 2020 through 2023; and an amount equal to 100% for tax year 2024, and all tax years thereafter, of the amount of the credit allowed against such taxpayer's federal income tax liability pursuant to 26 U.S.C. § 21 for the taxable year in which such credit was claimed against the taxpayer's federal income tax liability.

(b) The credit allowed by subsection (a) shall not exceed the amount of the tax imposed by K.S.A. 79-32,110, and amendments thereto, reduced by the sum of any other credits allowable pursuant to law.

(c) No credit provided under this section shall be allowed to any individual who fails to provide a valid social security number issued by the social security administration, to such individual, the individual's spouse and every dependent of the individual.

Sec. 17. On and after July 1, 2024, K.S.A. 2023 Supp. 79-32,117 is hereby amended to read as follows: 79-32,117. (a) The Kansas adjusted gross income of an individual means such individual's federal adjusted gross income for the taxable year, with the modifications specified in this section.

(b) There shall be added to federal adjusted gross income:

(i) Interest income less any related expenses directly incurred in the purchase of state or political subdivision obligations, to the extent that the same is not included in federal adjusted gross income, on obligations of any state or political subdivision thereof, but to the extent that interest income on obligations of this state or a political subdivision thereof issued prior to January 1, 1988, is specifically exempt from income tax under the laws of this state authorizing the issuance of such obligations, it shall be excluded from computation of Kansas adjusted gross income whether or not included in federal adjusted gross income. Interest income on obligations of this state or a political subdivision thereof issued after December 31, 1987, shall be excluded from computation of Kansas adjusted gross income whether or not included in federal adjusted gross income.

(ii) Taxes on or measured by income or fees or payments in lieu of income taxes imposed by this state or any other taxing jurisdiction to the extent deductible in determining federal adjusted gross income and not credited against federal income tax. This paragraph shall not apply to taxes imposed under the provisions of K.S.A. 79-1107 or 79-1108, and amendments thereto, for privilege tax year 1995, and all such years thereafter.

(iii) The federal net operating loss deduction, except that the federal net operating loss deduction shall not be added to an individual's federal adjusted gross income for tax years beginning after December 31, 2016.

(iv) Federal income tax refunds received by the taxpayer if the deduction of the taxes being refunded resulted in a tax benefit for Kansas income tax purposes during a prior taxable year. Such refunds shall be included in income in the year actually received regardless of the method of accounting used by the taxpayer. For purposes hereof, a tax benefit shall be deemed to have resulted if the amount of the tax had been deducted in determining income subject to a Kansas income tax for a prior year regardless of the rate of taxation applied in such prior year to the Kansas taxable income, but only that portion of the refund shall be included as bears the same proportion to the total refund received as the federal taxes deducted in the year to which such refund is attributable bears to the total federal income taxes paid for such year. For purposes of the foregoing sentence, federal taxes shall be considered to have been deducted only to the extent such deduction does not reduce Kansas taxable income below zero.

(v) The amount of any depreciation deduction or business expense deduction claimed on the taxpayer's federal income tax return for any capital expenditure in making any building or facility accessible to the handicapped, for which expenditure the taxpayer claimed the credit allowed by K.S.A. 79-32,177, and amendments thereto.

(vi) Any amount of designated employee contributions picked up by an employer pursuant to K.S.A. 12-5005, 20-2603, 74-4919 and 74-4965, and amendments thereto.

(vii) The amount of any charitable contribution made to the extent the same is claimed as the basis for the credit allowed pursuant to K.S.A. 79-32,196, and amendments thereto.

(viii) The amount of any costs incurred for improvements to a swine facility, claimed for deduction in determining federal adjusted gross income, to the extent the same is claimed as the basis for any credit allowed pursuant to K.S.A. 79-32,204, and amendments thereto.

(ix) The amount of any ad valorem taxes and assessments paid and the amount of any costs incurred for habitat management or construction and maintenance of improvements on real property, claimed for deduction in determining federal adjusted gross income, to the extent the same is claimed as the basis for any credit allowed pursuant to K.S.A. 79-32,203, and amendments thereto.

(x) Amounts received as nonqualified withdrawals, as defined by K.S.A. 75-643, and amendments thereto, if, at the time of contribution to a family postsecondary education savings account, such amounts were subtracted from the federal adjusted gross income pursuant to subsection (c)(xv) or if such amounts are not already included in the federal adjusted gross income.

(xi) The amount of any contribution made to the same extent the same is claimed as the basis for the credit allowed pursuant to K.S.A. 74-50,154, and amendments thereto.

(xii) For taxable years commencing after December 31, 2004, amounts received as withdrawals not in accordance with the provisions of K.S.A. 74-50,204, and amendments thereto, if, at the time of contribution to an individual development account, such amounts were subtracted from the federal adjusted gross income pursuant to subsection (c)(xiii), or if such amounts are not already included in the federal adjusted gross income.

(xiii) The amount of any expenditures claimed for deduction in determining federal adjusted gross income, to the extent the same is claimed as the basis for any credit allowed pursuant to K.S.A. 79-32,217 through 79-32,220 or 79-32,222, and amendments thereto.

(xiv) The amount of any amortization deduction claimed in determining federal adjusted gross income to the extent the same is claimed for deduction pursuant to K.S.A. 79-32,221, and amendments thereto.

(xv) The amount of any expenditures claimed for deduction in determining federal adjusted gross income, to the extent the same is claimed as the basis for any credit allowed pursuant to K.S.A. 79-32,223 through 79-32,226, 79-32,228 through 79-32,231, 79-32,233 through 79-32,236, 79-32,238 through 79-32,241, 79-32,245 through 79-32,248 or 79-32,251 through 79-32,254, and amendments thereto.

(xvi) The amount of any amortization deduction claimed in determining federal adjusted gross income to the extent the same is claimed for deduction pursuant to K.S.A. 79-32,227, 79-32,232, 79-32,237, 79-32,249, 79-32,250 or 79-32,255, and amendments thereto.

(xvii) The amount of any amortization deduction claimed in determining federal adjusted gross income to the extent the same is claimed for deduction pursuant to K.S.A. 79-32,256, and amendments thereto.

(xviii) For taxable years commencing after December 31, 2006, the amount of any ad valorem or property taxes and assessments paid to a state other than Kansas or local government located in a state other than Kansas by a taxpayer who resides in a state other than Kansas, when the law of such state does not allow a resident of Kansas who earns income in such other state to claim a deduction for ad valorem or property taxes or assessments paid to a political subdivision of the state of Kansas in determining taxable income for income tax purposes in such other state, to the extent that such taxes and assessments are claimed as an itemized deduction for federal income tax purposes.

(xix) For taxable years beginning after December 31, 2012, and ending before January 1, 2017, the amount of any: (1) Loss from business as determined under the

federal internal revenue code and reported from schedule C and on line 12 of the taxpayer's form 1040 federal individual income tax return; (2) loss from rental real estate, royalties, partnerships, S corporations, except those with wholly owned subsidiaries subject to the Kansas privilege tax, estates, trusts, residual interest in real estate mortgage investment conduits and net farm rental as determined under the federal internal revenue code and reported from schedule E and on line 17 of the taxpayer's form 1040 federal individual income tax return; and (3) farm loss as determined under the federal internal revenue code and reported from schedule F and on line 18 of the taxpayer's form 1040 federal income tax return; all to the extent deducted or subtracted in determining the taxpayer's federal adjusted gross income. For purposes of this subsection, references to the federal form 1040 and federal schedule C, schedule E, and schedule F, shall be to such form and schedules as they existed for tax year 2011, and as revised thereafter by the internal revenue service.

(xx) For taxable years beginning after December 31, 2012, and ending before January 1, 2017, the amount of any deduction for self-employment taxes under section 164(f) of the federal internal revenue code as in effect on January 1, 2012, and amendments thereto, in determining the federal adjusted gross income of an individual taxpayer, to the extent the deduction is attributable to income reported on schedule C, E or F and on line 12, 17 or 18 of the taxpayer's form 1040 federal income tax return.

(xxi) For taxable years beginning after December 31, 2012, and ending before January 1, 2017, the amount of any deduction for pension, profit sharing, and annuity plans of self-employed individuals under section 62(a)(6) of the federal internal revenue code as in effect on January 1, 2012, and amendments thereto, in determining the federal adjusted gross income of an individual taxpayer.

(xxii) For taxable years beginning after December 31, 2012, and ending before January 1, 2017, the amount of any deduction for health insurance under section 162(l) of the federal internal revenue code as in effect on January 1, 2012, and amendments thereto, in determining the federal adjusted gross income of an individual taxpayer.

(xxiii) For taxable years beginning after December 31, 2012, and ending before January 1, 2017, the amount of any deduction for domestic production activities under section 199 of the federal internal revenue code as in effect on January 1, 2012, and amendments thereto, in determining the federal adjusted gross income of an individual taxpayer.

(xxiv) For taxable years commencing after December 31, 2013, that portion of the amount of any expenditure deduction claimed in determining federal adjusted gross income for expenses paid for medical care of the taxpayer or the taxpayer's spouse or dependents when such expenses were paid or incurred for an abortion, or for a health benefit plan, as defined in K.S.A. 65-6731, and amendments thereto, for the purchase of an optional rider for coverage of abortion in accordance with K.S.A. 40-2,190, and amendments thereto, to the extent that such taxes and assessments are claimed as an itemized deduction for federal income tax purposes.

(xxv) For taxable years commencing after December 31, 2013, that portion of the amount of any expenditure deduction claimed in determining federal adjusted gross income for expenses paid by a taxpayer for health care when such expenses were paid or incurred for abortion coverage, a health benefit plan, as defined in K.S.A. 65-6731, and amendments thereto, when such expenses were paid or incurred for abortion coverage or amounts contributed to health savings accounts for such taxpayer's

employees for the purchase of an optional rider for coverage of abortion in accordance with K.S.A. 40-2,190, and amendments thereto, to the extent that such taxes and assessments are claimed as a deduction for federal income tax purposes.

(xxvi) For all taxable years beginning after December 31, 2016, the amount of any charitable contribution made to the extent the same is claimed as the basis for the credit allowed pursuant to K.S.A. 72-4357, and amendments thereto, and is also claimed as an itemized deduction for federal income tax purposes.

(xxvii) For all taxable years commencing after December 31, 2020, the amount deducted by reason of a carryforward of disallowed business interest pursuant to section 163(j) of the federal internal revenue code of 1986, as in effect on January 1, 2018.

(xxviii) For all taxable years beginning after December 31, 2021, the amount of any contributions to, or earnings from, a first-time home buyer savings account if distributions from the account were not used to pay for expenses or transactions authorized pursuant to K.S.A. 2023 Supp. 58-4904, and amendments thereto, or were not held for the minimum length of time required pursuant to K.S.A. 2023 Supp. 58-4904, and amendments thereto. Contributions to, or earnings from, such account shall also include any amount resulting from the account holder not designating a surviving payable on death beneficiary pursuant to K.S.A. 2023 Supp. 58-4904(e), and amendments thereto.

(c) There shall be subtracted from federal adjusted gross income:

(i) Interest or dividend income on obligations or securities of any authority, commission or instrumentality of the United States and its possessions less any related expenses directly incurred in the purchase of such obligations or securities, to the extent included in federal adjusted gross income but exempt from state income taxes under the laws of the United States.

(ii) Any amounts received which are included in federal adjusted gross income but which are specifically exempt from Kansas income taxation under the laws of the state of Kansas.

(iii) The portion of any gain or loss from the sale or other disposition of property having a higher adjusted basis for Kansas income tax purposes than for federal income tax purposes on the date such property was sold or disposed of in a transaction in which gain or loss was recognized for purposes of federal income tax that does not exceed such difference in basis, but if a gain is considered a long-term capital gain for federal income tax purposes, the modification shall be limited to that portion of such gain which is included in federal adjusted gross income.

(iv) The amount necessary to prevent the taxation under this act of any annuity or other amount of income or gain which was properly included in income or gain and was taxed under the laws of this state for a taxable year prior to the effective date of this act, as amended, to the taxpayer, or to a decedent by reason of whose death the taxpayer acquired the right to receive the income or gain, or to a trust or estate from which the taxpayer received the income or gain.

(v) The amount of any refund or credit for overpayment of taxes on or measured by income or fees or payments in lieu of income taxes imposed by this state, or any taxing jurisdiction, to the extent included in gross income for federal income tax purposes.

(vi) Accumulation distributions received by a taxpayer as a beneficiary of a trust to the extent that the same are included in federal adjusted gross income.

(vii) Amounts received as annuities under the federal civil service retirement

system from the civil service retirement and disability fund and other amounts received as retirement benefits in whatever form which were earned for being employed by the federal government or for service in the armed forces of the United States.

(viii) Amounts received by retired railroad employees as a supplemental annuity under the provisions of 45 U.S.C. §§ 228b(a) and 228c(a)(1) et seq.

(ix) Amounts received by retired employees of a city and by retired employees of any board of such city as retirement allowances pursuant to K.S.A. 13-14,106, and amendments thereto, or pursuant to any charter ordinance exempting a city from the provisions of K.S.A. 13-14,106, and amendments thereto.

(x) For taxable years beginning after December 31, 1976, the amount of the federal tentative jobs tax credit disallowance under the provisions of 26 U.S.C. § 280C. For taxable years ending after December 31, 1978, the amount of the targeted jobs tax credit and work incentive credit disallowances under 26 U.S.C. § 280C.

(xi) For taxable years beginning after December 31, 1986, dividend income on stock issued by Kansas venture capital, inc.

(xii) For taxable years beginning after December 31, 1989, amounts received by retired employees of a board of public utilities as pension and retirement benefits pursuant to K.S.A. 13-1246, 13-1246a and 13-1249, and amendments thereto.

(xiii) For taxable years beginning after December 31, 2004, amounts contributed to and the amount of income earned on contributions deposited to an individual development account under K.S.A. 74-50,201 et seq., and amendments thereto.

(xiv) For all taxable years commencing after December 31, 1996, that portion of any income of a bank organized under the laws of this state or any other state, a national banking association organized under the laws of the United States, an association organized under the savings and loan code of this state or any other state, or a federal savings association organized under the laws of the United States, for which an election as an S corporation under subchapter S of the federal internal revenue code is in effect, which accrues to the taxpayer who is a stockholder of such corporation and which is not distributed to the stockholders as dividends of the corporation. For taxable years beginning after December 31, 2012, and ending before January 1, 2017, the amount of modification under this subsection shall exclude the portion of income or loss reported on schedule E and included on line 17 of the taxpayer's form 1040 federal individual income tax return.

(xv) For all taxable years beginning after December 31, 2017, the cumulative amounts not exceeding $3,000, or $6,000 for a married couple filing a joint return, for each designated beneficiary that are contributed to: (1) A family postsecondary education savings account established under the Kansas postsecondary education savings program or a qualified tuition program established and maintained by another state or agency or instrumentality thereof pursuant to section 529 of the internal revenue code of 1986, as amended, for the purpose of paying the qualified higher education expenses of a designated beneficiary; or (2) an achieving a better life experience (ABLE) account established under the Kansas ABLE savings program or a qualified ABLE program established and maintained by another state or agency or instrumentality thereof pursuant to section 529A of the internal revenue code of 1986, as amended, for the purpose of saving private funds to support an individual with a disability. The terms and phrases used in this paragraph shall have the meaning respectively ascribed thereto by the provisions of K.S.A. 75-643 and 75-652, and

amendments thereto, and the provisions of such sections are hereby incorporated by reference for all purposes thereof.

(xvi) For all taxable years beginning after December 31, 2004, amounts received by taxpayers who are or were members of the armed forces of the United States, including service in the Kansas army and air national guard, as a recruitment, sign up or retention bonus received by such taxpayer as an incentive to join, enlist or remain in the armed services of the United States, including service in the Kansas army and air national guard, and amounts received for repayment of educational or student loans incurred by or obligated to such taxpayer and received by such taxpayer as a result of such taxpayer's service in the armed forces of the United States, including service in the Kansas army and air national guard.

(xvii) For all taxable years beginning after December 31, 2004, amounts received by taxpayers who are eligible members of the Kansas army and air national guard as a reimbursement pursuant to K.S.A. 48-281, and amendments thereto, and amounts received for death benefits pursuant to K.S.A. 48-282, and amendments thereto, to the extent that such death benefits are included in federal adjusted gross income of the taxpayer.

(xviii) ~~For the taxable year beginning after December 31, 2006, amounts received as benefits under the federal social security act which are included in federal adjusted gross income of a taxpayer with federal adjusted gross income of $50,000 or less, whether such taxpayer's filing status is single, head of household, married filing separate or married filing jointly; and~~ (1) For all taxable years beginning after December 31, 2007, and ending before January 1, 2024, amounts received as benefits under the federal social security act which are included in federal adjusted gross income of a taxpayer with federal adjusted gross income of $75,000 or less, whether such taxpayer's filing status is single, head of household, married filing separate or married filing jointly.

(2) For all taxable years beginning after December 31, 2023, amounts received as benefits under the federal social security act that are included in federal adjusted gross income of a taxpayer.

(xix) Amounts received by retired employees of Washburn university as retirement and pension benefits under the university's retirement plan.

(xx) For taxable years beginning after December 31, 2012, and ending before January 1, 2017, the amount of any: (1) Net profit from business as determined under the federal internal revenue code and reported from schedule C and on line 12 of the taxpayer's form 1040 federal individual income tax return; (2) net income, not including guaranteed payments as defined in section 707(c) of the federal internal revenue code and as reported to the taxpayer from federal schedule K-1, (form 1065-B), in box 9, code F or as reported to the taxpayer from federal schedule K-1, (form 1065) in box 4, from rental real estate, royalties, partnerships, S corporations, estates, trusts, residual interest in real estate mortgage investment conduits and net farm rental as determined under the federal internal revenue code and reported from schedule E and on line 17 of the taxpayer's form 1040 federal individual income tax return; and (3) net farm profit as determined under the federal internal revenue code and reported from schedule F and on line 18 of the taxpayer's form 1040 federal income tax return; all to the extent included in the taxpayer's federal adjusted gross income. For purposes of this subsection, references to the federal form 1040 and federal schedule C, schedule E, and schedule F,

shall be to such form and schedules as they existed for tax year 2011 and as revised thereafter by the internal revenue service.

(xxi) For all taxable years beginning after December 31, 2013, amounts equal to the unreimbursed travel, lodging and medical expenditures directly incurred by a taxpayer while living, or a dependent of the taxpayer while living, for the donation of one or more human organs of the taxpayer, or a dependent of the taxpayer, to another person for human organ transplantation. The expenses may be claimed as a subtraction modification provided for in this section to the extent the expenses are not already subtracted from the taxpayer's federal adjusted gross income. In no circumstances shall the subtraction modification provided for in this section for any individual, or a dependent, exceed $5,000. As used in this section, "human organ" means all or part of a liver, pancreas, kidney, intestine, lung or bone marrow. The provisions of this paragraph shall take effect on the day the secretary of revenue certifies to the director of the budget that the cost for the department of revenue of modifications to the automated tax system for the purpose of implementing this paragraph will not exceed $20,000.

(xxii) For taxable years beginning after December 31, 2012, and ending before January 1, 2017, the amount of net gain from the sale of: (1) Cattle and horses, regardless of age, held by the taxpayer for draft, breeding, dairy or sporting purposes, and held by such taxpayer for 24 months or more from the date of acquisition; and (2) other livestock, regardless of age, held by the taxpayer for draft, breeding, dairy or sporting purposes, and held by such taxpayer for 12 months or more from the date of acquisition. The subtraction from federal adjusted gross income shall be limited to the amount of the additions recognized under the provisions of subsection (b)(xix) attributable to the business in which the livestock sold had been used. As used in this paragraph, the term "livestock" shall not include poultry.

(xxiii) For all taxable years beginning after December 31, 2012, amounts received under either the Overland Park, Kansas police department retirement plan or the Overland Park, Kansas fire department retirement plan, both as established by the city of Overland Park, pursuant to the city's home rule authority.

(xxiv) For taxable years beginning after December 31, 2013, and ending before January 1, 2017, the net gain from the sale from Christmas trees grown in Kansas and held by the taxpayer for six years or more.

(xxv) For all taxable years commencing after December 31, 2020, 100% of global intangible low-taxed income under section 951A of the federal internal revenue code of 1986, before any deductions allowed under section 250(a)(1)(B) of such code.

(xxvi) For all taxable years commencing after December 31, 2020, the amount disallowed as a deduction pursuant to section 163(j) of the federal internal revenue code of 1986, as in effect on January 1, 2018.

(xxvii) For taxable years commencing after December 31, 2020, the amount disallowed as a deduction pursuant to section 274 of the federal internal revenue code of 1986 for meal expenditures shall be allowed to the extent such expense was deductible for determining federal income tax and was allowed and in effect on December 31, 2017.

(xxviii) For all taxable years beginning after December 31, 2021: (1) The amount contributed to a first-time home buyer savings account pursuant to K.S.A. 2023 Supp. 58-4903, and amendments thereto, in an amount not to exceed $3,000 for an individual or $6,000 for a married couple filing a joint return; or (2) amounts received as income

earned from assets in a first-time home buyer savings account.

(d) There shall be added to or subtracted from federal adjusted gross income the taxpayer's share, as beneficiary of an estate or trust, of the Kansas fiduciary adjustment determined under K.S.A. 79-32,135, and amendments thereto.

(e) The amount of modifications required to be made under this section by a partner which relates to items of income, gain, loss, deduction or credit of a partnership shall be determined under K.S.A. 79-32,131, and amendments thereto, to the extent that such items affect federal adjusted gross income of the partner.

Sec. 18. On and after July 1, 2024, K.S.A. 2023 Supp. 79-32,119 is hereby amended to read as follows: 79-32,119. (a) The Kansas standard deduction of an individual, including a husband and wife who are either both residents or who file a joint return as if both were residents, shall be equal to the sum of the standard deduction amount allowed pursuant to this section, and the additional standard deduction amount allowed pursuant to this section for each such deduction allowable to such individual or to such husband and wife under the federal internal revenue code.

(b) For tax year 1998, and all tax years thereafter, the additional standard deduction amount shall be as follows: Single individual and head of household filing status, $850; and married filing status, $700.

(c) (1) ~~For tax year 2013 through tax year 2020, the standard deduction amount of an individual, including husband and wife who are either both residents or who file a joint return as if both were residents, shall be as follows: Single individual filing status, $3,000; married filing status, $7,500; and head of household filing status, $5,500.~~

~~(2)~~ For tax ~~year~~ years 2021~~, and all tax years thereafter~~ through 2023, the standard deduction amount of an individual, including husband and wife who are either both residents or who file a joint return as if both were residents, shall be as follows: Single individual filing status, $3,500; married filing status, $8,000; and head of household filing status, $6,000.

(2) For tax year 2024, and all tax years thereafter, the standard deduction amount of an individual, including husband and wife who are either both residents or who file a joint return as if both were residents, shall be as follows: Single individual filing status, $5,000; married filing status, $10,000; and head of household filing status, $7,500.

(d) For purposes of this section, the federal standard deduction allowable to a husband and wife filing separate Kansas income tax returns shall be determined on the basis that separate federal returns were filed, and the federal standard deduction of a husband and wife filing a joint Kansas income tax return shall be determined on the basis that a joint federal income tax return was filed.

Sec. 19. K.S.A. 2023 Supp. 79-3603 is hereby amended to read as follows: 79-3603. For the privilege of engaging in the business of selling tangible personal property at retail in this state or rendering or furnishing any of the services taxable under this act, there is hereby levied and there shall be collected and paid a tax at the rate of 6.5%. On and after January 1, 2023, 17% and on and after ~~January 1, 2025~~ July 1, 2024, 18% of the tax rate imposed pursuant to this section and the rate provided in K.S.A. 2023 Supp. 79-3603d, and amendments thereto, shall be levied for the state highway fund, the state highway fund purposes and those purposes specified in K.S.A. 68-416, and amendments thereto, and all revenue collected and received from such tax levy shall be deposited in the state highway fund.

Within a redevelopment district established pursuant to K.S.A. 74-8921, and

amendments thereto, there is hereby levied and there shall be collected and paid an additional tax at the rate of 2% until the earlier of the date the bonds issued to finance or refinance the redevelopment project have been paid in full or the final scheduled maturity of the first series of bonds issued to finance any part of the project.

Such tax shall be imposed upon:

(a) The gross receipts received from the sale of tangible personal property at retail within this state;

(b) the gross receipts from intrastate, interstate or international telecommunications services and any ancillary services sourced to this state in accordance with K.S.A. 79-3673, and amendments thereto, except that telecommunications service does not include: (1) Any interstate or international 800 or 900 service; (2) any interstate or international private communications service as defined in K.S.A. 79-3673, and amendments thereto; (3) any value-added nonvoice data service; (4) any telecommunication service to a provider of telecommunication services which will be used to render telecommunications services, including carrier access services; or (5) any service or transaction defined in this section among entities classified as members of an affiliated group as provided by section 1504 of the federal internal revenue code of 1986, as in effect on January 1, 2001;

(c) the gross receipts from the sale or furnishing of gas, water, electricity and heat, which sale is not otherwise exempt from taxation under the provisions of this act, and whether furnished by municipally or privately owned utilities, except that, on and after January 1, 2006, for sales of gas, electricity and heat delivered through mains, lines or pipes to residential premises for noncommercial use by the occupant of such premises, and for agricultural use and also, for such use, all sales of propane gas, the state rate shall be 0%; and for all sales of propane gas, LP gas, coal, wood and other fuel sources for the production of heat or lighting for noncommercial use of an occupant of residential premises, the state rate shall be 0%, but such tax shall not be levied and collected upon the gross receipts from: (1) The sale of a rural water district benefit unit; (2) a water system impact fee, system enhancement fee or similar fee collected by a water supplier as a condition for establishing service; or (3) connection or reconnection fees collected by a water supplier;

(d) the gross receipts from the sale of meals or drinks furnished at any private club, drinking establishment, catered event, restaurant, eating house, dining car, hotel, drugstore or other place where meals or drinks are regularly sold to the public;

(e) the gross receipts from the sale of admissions to any place providing amusement, entertainment or recreation services including admissions to state, county, district and local fairs, but such tax shall not be levied and collected upon the gross receipts received from sales of admissions to any cultural and historical event which occurs triennially;

(f) the gross receipts from the operation of any coin-operated device dispensing or providing tangible personal property, amusement or other services except laundry services, whether automatic or manually operated;

(g) the gross receipts from the service of renting of rooms by hotels, as defined by K.S.A. 36-501, and amendments thereto, or by accommodation brokers, as defined by K.S.A. 12-1692, and amendments thereto, but such tax shall not be levied and collected upon the gross receipts received from sales of such service to the federal government and any agency, officer or employee thereof in association with the performance of

official government duties;

(h) the gross receipts from the service of renting or leasing of tangible personal property except such tax shall not apply to the renting or leasing of machinery, equipment or other personal property owned by a city and purchased from the proceeds of industrial revenue bonds issued prior to July 1, 1973, in accordance with the provisions of K.S.A. 12-1740 through 12-1749, and amendments thereto, and any city or lessee renting or leasing such machinery, equipment or other personal property purchased with the proceeds of such bonds who shall have paid a tax under the provisions of this section upon sales made prior to July 1, 1973, shall be entitled to a refund from the sales tax refund fund of all taxes paid thereon;

(i) the gross receipts from the rendering of dry cleaning, pressing, dyeing and laundry services except laundry services rendered through a coin-operated device whether automatic or manually operated;

(j) the gross receipts from the rendering of the services of washing and washing and waxing of vehicles;

(k) the gross receipts from cable, community antennae and other subscriber radio and television services;

(l) (1) except as otherwise provided by paragraph (2), the gross receipts received from the sales of tangible personal property to all contractors, subcontractors or repairmen for use by them in erecting structures, or building on, or otherwise improving, altering, or repairing real or personal property.

(2) Any such contractor, subcontractor or repairman who maintains an inventory of such property both for sale at retail and for use by them for the purposes described by paragraph (1) shall be deemed a retailer with respect to purchases for and sales from such inventory, except that the gross receipts received from any such sale, other than a sale at retail, shall be equal to the total purchase price paid for such property and the tax imposed thereon shall be paid by the deemed retailer;

(m) the gross receipts received from fees and charges by public and private clubs, drinking establishments, organizations and businesses for participation in sports, games and other recreational activities, but such tax shall not be levied and collected upon the gross receipts received from: (1) Fees and charges by any political subdivision, by any organization exempt from property taxation pursuant to K.S.A. 79-201 *Ninth*, and amendments thereto, or by any youth recreation organization exclusively providing services to persons 18 years of age or younger which is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986, for participation in sports, games and other recreational activities; and (2) entry fees and charges for participation in a special event or tournament sanctioned by a national sporting association to which spectators are charged an admission which is taxable pursuant to subsection (e);

(n) the gross receipts received from dues charged by public and private clubs, drinking establishments, organizations and businesses, payment of which entitles a member to the use of facilities for recreation or entertainment, but such tax shall not be levied and collected upon the gross receipts received from: (1) Dues charged by any organization exempt from property taxation pursuant to K.S.A. 79-201 *Eighth* and *Ninth*, and amendments thereto; and (2) sales of memberships in a nonprofit organization which is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986, and whose purpose is to support the

operation of a nonprofit zoo;

(o) the gross receipts received from the isolated or occasional sale of motor vehicles or trailers but not including: (1) The transfer of motor vehicles or trailers by a person to a corporation or limited liability company solely in exchange for stock securities or membership interest in such corporation or limited liability company; (2) the transfer of motor vehicles or trailers by one corporation or limited liability company to another when all of the assets of such corporation or limited liability company are transferred to such other corporation or limited liability company; or (3) the sale of motor vehicles or trailers which are subject to taxation pursuant to the provisions of K.S.A. 79-5101 et seq., and amendments thereto, by an immediate family member to another immediate family member. For the purposes of paragraph (3), immediate family member means lineal ascendants or descendants, and their spouses. Any amount of sales tax paid pursuant to the Kansas retailers sales tax act on the isolated or occasional sale of motor vehicles or trailers on and after July 1, 2004, which the base for computing the tax was the value pursuant to K.S.A. 79-5105(a), (b)(1) and (b)(2), and amendments thereto, when such amount was higher than the amount of sales tax which would have been paid under the law as it existed on June 30, 2004, shall be refunded to the taxpayer pursuant to the procedure prescribed by this section. Such refund shall be in an amount equal to the difference between the amount of sales tax paid by the taxpayer and the amount of sales tax which would have been paid by the taxpayer under the law as it existed on June 30, 2004. Each claim for a sales tax refund shall be verified and submitted not later than six months from the effective date of this act to the director of taxation upon forms furnished by the director and shall be accompanied by any additional documentation required by the director. The director shall review each claim and shall refund that amount of tax paid as provided by this act. All such refunds shall be paid from the sales tax refund fund, upon warrants of the director of accounts and reports pursuant to vouchers approved by the director of taxation or the director's designee. No refund for an amount less than $10 shall be paid pursuant to this act. In determining the base for computing the tax on such isolated or occasional sale, the fair market value of any motor vehicle or trailer traded in by the purchaser to the seller may be deducted from the selling price;

(p) the gross receipts received for the service of installing or applying tangible personal property which when installed or applied is not being held for sale in the regular course of business, and whether or not such tangible personal property when installed or applied remains tangible personal property or becomes a part of real estate, except that no tax shall be imposed upon the service of installing or applying tangible personal property in connection with the original construction of a building or facility, the original construction, reconstruction, restoration, remodeling, renovation, repair or replacement of a residence or the construction, reconstruction, restoration, replacement or repair of a bridge or highway.

For the purposes of this subsection:

(1) "Original construction" means the first or initial construction of a new building or facility. The term "original construction" shall include the addition of an entire room or floor to any existing building or facility, the completion of any unfinished portion of any existing building or facility and the restoration, reconstruction or replacement of a building, facility or utility structure damaged or destroyed by fire, flood, tornado, lightning, explosion, windstorm, ice loading and attendant winds, terrorism or

earthquake, but such term, except with regard to a residence, shall not include replacement, remodeling, restoration, renovation or reconstruction under any other circumstances;

(2) "building" means only those enclosures within which individuals customarily are employed, or which are customarily used to house machinery, equipment or other property, and including the land improvements immediately surrounding such building;

(3) "facility" means a mill, plant, refinery, oil or gas well, water well, feedlot or any conveyance, transmission or distribution line of any cooperative, nonprofit, membership corporation organized under or subject to the provisions of K.S.A. 17-4601 et seq., and amendments thereto, or municipal or quasi-municipal corporation, including the land improvements immediately surrounding such facility;

(4) "residence" means only those enclosures within which individuals customarily live;

(5) "utility structure" means transmission and distribution lines owned by an independent transmission company or cooperative, the Kansas electric transmission authority or natural gas or electric public utility; and

(6) "windstorm" means straight line winds of at least 80 miles per hour as determined by a recognized meteorological reporting agency or organization;

(q) the gross receipts received for the service of repairing, servicing, altering or maintaining tangible personal property which when such services are rendered is not being held for sale in the regular course of business, and whether or not any tangible personal property is transferred in connection therewith. The tax imposed by this subsection shall be applicable to the services of repairing, servicing, altering or maintaining an item of tangible personal property which has been and is fastened to, connected with or built into real property;

(r) the gross receipts from fees or charges made under service or maintenance agreement contracts for services, charges for the providing of which are taxable under the provisions of subsection (p) or (q);

(s) on and after January 1, 2005, the gross receipts received from the sale of prewritten computer software and the sale of the services of modifying, altering, updating or maintaining prewritten computer software, whether the prewritten computer software is installed or delivered electronically by tangible storage media physically transferred to the purchaser or by load and leave;

(t) the gross receipts received for telephone answering services;

(u) the gross receipts received from the sale of prepaid calling service and prepaid wireless calling service as defined in K.S.A. 79-3673, and amendments thereto;

(v) all sales of bingo cards, bingo faces and instant bingo tickets by licensees under K.S.A. 75-5171 et seq., and amendments thereto, shall be exempt from taxes imposed pursuant to this section;

(w) all sales of charitable raffle tickets in accordance with K.S.A. 75-5171 et seq., and amendments thereto, shall be exempt from taxes imposed pursuant to this section; and

(x) commencing on January 1, 2023, and thereafter, the state rate on the gross receipts from the sale of food and food ingredients shall be as set forth in K.S.A. 2023 Supp. 79-3603d, and amendments thereto.

Sec. 20. K.S.A. 2023 Supp. 79-3603d is hereby amended to read as follows: 79-3603d. (a) There is hereby levied and there shall be collected and paid a tax upon the

gross receipts from the sale of food and food ingredients. The rate of tax shall be as follows:

(1) Commencing on January 1, 2023, at the rate of 4%;

(2) commencing on January 1, 2024, at the rate of 2%; and

(3) commencing on ~~January 1, 2025~~ July 1, 2024, and thereafter, at the rate of 0%.

(b) The provisions of this section shall not apply to prepared food unless sold without eating utensils provided by the seller and described below:

(1) Food sold by a seller whose proper primary NAICS classification is manufacturing in sector 311, except subsector 3118 (bakeries);

(2) (A) food sold in an unheated state by weight or volume as a single item; or

(B) only meat or seafood sold in an unheated state by weight or volume as a single item;

(3) bakery items, including bread, rolls, buns, biscuits, bagels, croissants, pastries, donuts, danish, cakes, tortes, pies, tarts, muffins, bars, cookies and tortillas; or

(4) food sold that ordinarily requires additional cooking, as opposed to just reheating, by the consumer prior to consumption.

(c) The provisions of this section shall be a part of and supplemental to the Kansas retailers' sales tax act.

Sec. 21. K.S.A. 2023 Supp. 79-3620 is hereby amended to read as follows: 79-3620. (a) All revenue collected or received by the director of taxation from the taxes imposed by this act shall be remitted to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury, less amounts withheld as provided in subsection (b) and amounts credited as provided in subsections (c), (d) and (e), to the credit of the state general fund.

(b) A refund fund, designated as "sales tax refund fund" not to exceed $100,000 shall be set apart and maintained by the director from sales tax collections and estimated tax collections and held by the state treasurer for prompt payment of all sales tax refunds. Such fund shall be in such amount, within the limit set by this section, as the director shall determine is necessary to meet current refunding requirements under this act. In the event such fund as established by this section is, at any time, insufficient to provide for the payment of refunds due claimants thereof, the director shall certify the amount of additional funds required to the director of accounts and reports who shall promptly transfer the required amount from the state general fund to the sales tax refund fund, and notify the state treasurer, who shall make proper entry in the records.

(c) (1) On January 1, 2023, the state treasurer shall credit 17% of the revenue collected and received from the tax imposed by K.S.A. 79-3603, and amendments thereto, at the rates provided in K.S.A. 79-3603, and amendments thereto, and K.S.A. 2023 Supp. 79-3603d, and amendments thereto, and deposited as provided by subsection (a), exclusive of amounts credited pursuant to subsection (d), in the state highway fund.

(2) On ~~January 1, 2025~~ July 1, 2024, and thereafter, the state treasurer shall credit 18% of the revenue collected and received from the tax imposed by K.S.A. 79-3603, and amendments thereto, at the rates provided in K.S.A. 79-3603, and amendments thereto, and K.S.A. 2023 Supp. 79-3603d, and amendments thereto, and deposited as provided by subsection (a), exclusive of amounts credited pursuant to subsection (d), in the state highway fund.

(d) The state treasurer shall credit all revenue collected or received from the tax imposed by K.S.A. 79-3603, and amendments thereto, as certified by the director, from taxpayers doing business within that portion of a STAR bond project district occupied by a STAR bond project or taxpayers doing business with such entity financed by a STAR bond project as defined in K.S.A. 12-17,162, and amendments thereto, that was determined by the secretary of commerce to be of statewide as well as local importance or will create a major tourism area for the state or the project was designated as a STAR bond project as defined in K.S.A. 12-17,162, and amendments thereto, to the city bond finance fund, which fund is hereby created. The provisions of this subsection shall expire when the total of all amounts credited hereunder and under K.S.A. 79-3710(d), and amendments thereto, is sufficient to retire the special obligation bonds issued for the purpose of financing all or a portion of the costs of such STAR bond project.

(e) All revenue certified by the director of taxation as having been collected or received from the tax imposed by K.S.A. 79-3603(c), and amendments thereto, on the sale or furnishing of gas, water, electricity and heat for use or consumption within the intermodal facility district described in this subsection, shall be credited by the state treasurer to the state highway fund. Such revenue may be transferred by the secretary of transportation to the rail service improvement fund pursuant to law. The provisions of this subsection shall take effect upon certification by the secretary of transportation that a notice to proceed has been received for the construction of the improvements within the intermodal facility district, but not later than December 31, 2010, and shall expire when the secretary of revenue determines that the total of all amounts credited hereunder and pursuant to K.S.A. 79-3710(e), and amendments thereto, is equal to $53,300,000, but not later than December 31, 2045. Thereafter, all revenues shall be collected and distributed in accordance with applicable law. For all tax reporting periods during which the provisions of this subsection are in effect, none of the exemptions contained in K.S.A. 79-3601 et seq., and amendments thereto, shall apply to the sale or furnishing of any gas, water, electricity and heat for use or consumption within the intermodal facility district. As used in this subsection, "intermodal facility district" shall consist of an intermodal transportation area as defined by K.S.A. 12-1770a(oo), and amendments thereto, located in Johnson county within the polygonal-shaped area having Waverly Road as the eastern boundary, 191st Street as the southern boundary, Four Corners Road as the western boundary, and Highway 56 as the northern boundary, and the polygonal-shaped area having Poplar Road as the eastern boundary, 183rd Street as the southern boundary, Waverly Road as the western boundary, and the BNSF mainline track as the northern boundary, that includes capital investment in an amount exceeding $150 million for the construction of an intermodal facility to handle the transfer, storage and distribution of freight through railway and trucking operations.

Sec. 22. K.S.A. 2023 Supp. 79-3703 is hereby amended to read as follows: 79-3703. (a) There is hereby levied and there shall be collected from every person in this state a tax or excise for the privilege of using, storing, or consuming within this state any article of tangible personal property. Such tax shall be levied and collected in an amount equal to the consideration paid by the taxpayer multiplied by the rate of 6.5%.

(b) Commencing on January 1, 2023, and thereafter, the state rate on the amount equal to the consideration paid by the taxpayer from the sale of food and food ingredients as provided in K.S.A. 79-3603, and amendments thereto, shall be as set forth in K.S.A. 2023 Supp. 79-3603d, and amendments thereto.

(c) On and after January 1, 2023, 17% and on and after ~~January 1, 2025~~ July 1, 2024, 18% of the tax rate imposed pursuant to this section and the rate provided in K.S.A. 2023 Supp. 79-3603d, and amendments thereto, shall be levied for the state highway fund, the state highway fund purposes and those purposes specified in K.S.A. 68-416, and amendments thereto, and all revenue collected and received from such tax levy shall be deposited in the state highway fund.

(d) Within a redevelopment district established pursuant to K.S.A. 74-8921, and amendments thereto, there is hereby levied and there shall be collected and paid an additional tax of 2% until the earlier of: (1) The date the bonds issued to finance or refinance the redevelopment project undertaken in the district have been paid in full; or (2) the final scheduled maturity of the first series of bonds issued to finance the redevelopment project.

(e) All property purchased or leased within or without this state and subsequently used, stored or consumed in this state shall be subject to the compensating tax if the same property or transaction would have been subject to the Kansas retailers' sales tax had the transaction been wholly within this state.

Sec. 23. K.S.A. 2023 Supp. 79-3710 is hereby amended to read as follows: 79-3710. (a) All revenue collected or received by the director under the provisions of this act shall be remitted to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury, less amounts set apart as provided in subsection (b) and amounts credited as provided in subsection (c), (d) and (e), to the credit of the state general fund.

(b) A revolving fund, designated as "compensating tax refund fund" not to exceed $10,000 shall be set apart and maintained by the director from compensating tax collections and estimated tax collections and held by the state treasurer for prompt payment of all compensating tax refunds. Such fund shall be in such amount, within the limit set by this section, as the director shall determine is necessary to meet current refunding requirements under this act.

(c) (1) On January 1, 2023, the state treasurer shall credit 17% of the revenue collected and received from the tax imposed by K.S.A. 79-3703, and amendments thereto, at the rates provided in K.S.A. 79-3703, and amendments thereto, and K.S.A. 2023 Supp. 79-3603d, and amendments thereto, and deposited as provided by subsection (a), exclusive of amounts credited pursuant to subsection (d), in the state highway fund.

(2) On ~~January 1, 2025~~ July 1, 2024, and thereafter, the state treasurer shall credit 18% of the revenue collected and received from the tax imposed by K.S.A. 79-3703, and amendments thereto, at the rates provided in K.S.A. 79-3703, and amendments thereto, and K.S.A. 2023 Supp. 79-3603d, and amendments thereto, and deposited as provided by subsection (a), exclusive of amounts credited pursuant to subsection (d), in the state highway fund.

(d) The state treasurer shall credit all revenue collected or received from the tax imposed by K.S.A. 79-3703, and amendments thereto, as certified by the director, from taxpayers doing business within that portion of a redevelopment district occupied by a redevelopment project that was determined by the secretary of commerce to be of statewide as well as local importance or will create a major tourism area for the state as defined in K.S.A. 12-1770a, and amendments thereto, to the city bond finance fund

created by K.S.A. 79-3620(d), and amendments thereto. The provisions of this subsection shall expire when the total of all amounts credited hereunder and under K.S.A. 79-3620(d), and amendments thereto, is sufficient to retire the special obligation bonds issued for the purpose of financing all or a portion of the costs of such redevelopment project.

This subsection shall not apply to a project designated as a special bond project as defined in K.S.A. 12-1770a(z), and amendments thereto.

(e) All revenue certified by the director of taxation as having been collected or received from the tax imposed by K.S.A. 79-3603(c), and amendments thereto, on the sale or furnishing of gas, water, electricity and heat for use or consumption within the intermodal facility district described in this subsection, shall be credited by the state treasurer to the state highway fund. Such revenue may be transferred by the secretary of transportation to the rail service improvement fund pursuant to law. The provisions of this subsection shall take effect upon certification by the secretary of transportation that a notice to proceed has been received for the construction of the improvements within the intermodal facility district, but not later than December 31, 2010, and shall expire when the secretary of revenue determines that the total of all amounts credited hereunder and pursuant to K.S.A. 79-3620(e), and amendments thereto, is equal to $53,300,000, but not later than December 31, 2045. Thereafter, all revenues shall be collected and distributed in accordance with applicable law. For all tax reporting periods during which the provisions of this subsection are in effect, none of the exemptions contained in K.S.A. 79-3601 et seq., and amendments thereto, shall apply to the sale or furnishing of any gas, water, electricity and heat for use or consumption within the intermodal facility district. As used in this subsection, "intermodal facility district" shall consist of an intermodal transportation area as defined by K.S.A. 12-1770a(oo), and amendments thereto, located in Johnson county within the polygonal-shaped area having Waverly Road as the eastern boundary, 191st Street as the southern boundary, Four Corners Road as the western boundary, and Highway 56 as the northern boundary, and the polygonal-shaped area having Poplar Road as the eastern boundary, 183rd Street as the southern boundary, Waverly Road as the western boundary, and the BNSF mainline track as the northern boundary, that includes capital investment in an amount exceeding $150 million for the construction of an intermodal facility to handle the transfer, storage and distribution of freight through railway and trucking operations.

Sec. 24. K.S.A. 2023 Supp. 79-3603, 79-3603d, 79-3620, 79-3703 and 79-3710 are hereby repealed.

Sec. 25. On and after July 1, 2024, K.S.A. 19-2694, 65-163j, 65-3306, 65-3327, 75-2556, 79-1107, 79-1108, 79-1479, 79-2960, 79-2961, 79-2962, 79-2965, 79-2966, 79-2967 and 79-32,111c and K.S.A. 2023 Supp. 72-5142, 74-8768, 79-201x, 79-2959, 79-2964, 79-2988, 79-32,110, 79-32,117 and 79-32,119 are hereby repealed.";

Also on page 2, in line 22, by striking "statute book" and inserting "Kansas register";

And by renumbering sections accordingly;

On page 1, in the title, in line 1, by striking "sales"; also in line 1, by striking all after "to"; by striking all in line 2; in line 3, by striking all before the period and inserting "income tax; modifying tax rates for individuals; eliminating the income limit to qualify for a subtraction modification for social security income; increasing the Kansas standard deduction; increasing the tax credit amount for household and dependent care expenses; relating to privilege tax; decreasing the normal tax rate; relating to property

tax; increasing the extent of exemption for residential property from the statewide school levy; decreasing the rate of ad valorem tax imposed by a school district; abolishing the local ad valorem tax reduction fund and the county and city revenue sharing fund and providing for certain transfers to the state school district finance fund; relating to sales and compensating use tax; reducing the state rate of tax on sales of food and food ingredients; modifying the percent credited to the state highway fund from revenue collected; amending K.S.A. 65-163j, 65-3306, 65-3327, 75-2556, 79-1107, 79-1108, 79-1479 and 79-32,111c and K.S.A. 2023 Supp. 72-5142, 74-8768, 79-201x, 79-2988, 79-32,110, 79-32,117, 79-32,119, 79-3603, 79-3603d, 79-3620, 79-3703 and 79-3710 and repealing the existing sections; also repealing K.S.A. 19-2694, 79-2960, 79-2961, 79-2962, 79-2965, 79-2966 and 79-2967 and K.S.A. 2023 Supp. 79-2959 and 79-2964";

And your committee on conference recommends the adoption of this report.

CARYN TYSON
VIRGIL PECK
TOM HOLLAND
Conferees on part of Senate

ADAM SMITH
BRIAN BERGKEMP
TOM SAWYER
Conferees on part of House

Senator Masterson moved the Senate adopt the Conference Committee Report on **S Sub HB 2036**.

On roll call, the vote was: Yeas 38; Nays 1; Present and Passing 0; Absent or Not Voting 1.

Yeas: Alley, Baumgardner, Billinger, Blasi, Bowers, Claeys, Corson, Dietrich, Doll, Erickson, Fagg, Faust-Goudeau, Francisco, Gossage, Haley, Holscher, Kerschen, Kloos, Longbine, Masterson, McGinn, O'Shea, Olson, Peck, Petersen, Pettey, Pittman, Pyle, Reddi, Shallenburger, Steffen, Straub, Sykes, Thompson, Tyson, Ware, Warren, Wilborn.

Nays: Holland.

Absent or Not Voting: Ryckman.

The Conference Committee Report was adopted.

EXPLANATION OF VOTE

I vote "NO" on CCR **HB 2036** for two reasons: 1) Regarding the technical merits of the bill, this bill does very little to address the ever increasing and overly burdensome residential property taxes that northeast Kansans face. Instead, it misguidedly focuses on giving wealthier Kansans income tax relief by focusing on reducing the top marginal Kansas state income tax rate. We need much more residential property tax relief, for ALL Kansas homeowners, than what this CCR provides! 2) Our legislative process is broken! Our tax conference committee conferees, if left unfettered, are more than capable of developing the tax legislation relief that Kansas citizens need and deserve. Unfortunately, the governor and legislative leadership have hijacked the legislative process and have forced the chambers to vote on a CCR that reflects their (and their special interests') desires, not the needs of Kansas citizens.—TOM HOLLAND

CONFERENCE COMMITTEE REPORT

MR. SPEAKER and MR. PRESIDENT: Your committee on conference on Senate amendments to **HB 2070** submits the following report:

Your committee on conference agrees to disagree and recommends that a new conference committee be appointed;

And your committee on conference recommends the adoption of this report.

KELLIE WARREN
RICK WILBORN
ETHAN CORSON
Conferees on part of Senate

SUSAN HUMPHRIES
BOB LEWIS
DAN OSMAN
Conferees on part of House

On motion of Senator Warren the Senate adopted the conference committee report on **S Sub HB 2070**, and requested a new conference be appointed.

The President appointed Senators Warren, Wilborn and Corson as a second Conference Committee on the part of the Senate on **S Sub HB 2070**.

CONFERENCE COMMITTEE REPORT

MR. SPEAKER and MR. PRESIDENT: Your committee on conference on Senate amendments to **HB 2532** submits the following report:

The House accedes to all Senate amendments to the bill, and your committee on conference further agrees to amend the bill as printed with Senate Committee amendments, as follows:

On page 1, by striking all in lines 7 through 35;

By striking all on page 2;

On page 3, by striking all in lines 1 through 38; following line 38, by inserting:

"Section 1. K.S.A. 2023 Supp. 74-8823 is hereby amended to read as follows: 74-8823. (a) There is hereby imposed a tax on the gross sum wagered by the parimutuel method as follows:

(1) Of the total daily takeout from parimutuel pools for live horse races conducted in this state, a tax at the rate of $^{3}/_{18}$;

(2) except as provided by subsection (a)(3), for live greyhound races conducted in this state at a racetrack facility for the racing of only greyhounds:

(A) During the first four years when racing with parimutuel wagering is conducted at such facility, a tax at the rate of $^{3}/_{18}$ of the total daily takeout from parimutuel pools for live greyhound races; and

(B) thereafter, from parimutuel pools for each live greyhound performance, a tax at the rate of $^{3}/_{18}$ of the first $400,000 wagered, $^{4}/_{18}$ of the next $200,000 wagered and $^{5}/_{18}$ of any amounts wagered exceeding $600,000;

(3) for live greyhound races conducted in this state at a dual racetrack facility or at a racetrack facility owned by a licensee whose license authorizes the construction of a dual racetrack facility:

(A) During the first seven years when racing with parimutuel wagering is

conducted at such facility, a tax at the rate of $^{3}/_{18}$ of the total daily takeout from parimutuel pools for live greyhound races; and

(B) thereafter, from parimutuel pools for each live greyhound performance, a tax at the rate of $^{3}/_{18}$ of the first $600,000 wagered, $^{4}/_{18}$ of the next $200,000 wagered and $^{5}/_{18}$ of any amounts wagered exceeding $800,000;

(4) of the total daily takeout from amounts wagered in this jurisdiction on simulcast races displayed in this state, a tax at the rate of $^{3}/_{18}$; and

(5) of the total amount wagered on historical horse races, a tax at the rate of 3%.

(b) The tax imposed by this section shall be no less than 3% nor more than 6% of the total money wagered each day at a racetrack facility.

(c) The tax imposed by this section shall be remitted to the commission by each organization licensee by the next business day following the day on which the wagers took place. The commission shall remit any such tax moneys received to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each ~~such~~ remittance made pursuant to subsection (a)(1) through (4), the state treasurer shall deposit the entire amount in the state treasury to the credit of the state racing fund created by K.S.A. 74-8826, and amendments thereto, except as provided by K.S.A. 74-8838, and amendments thereto. Upon receipt of each remittance made pursuant to subsection (a)(5), the state treasurer shall deposit the entire amount in the state treasury and credit $^{1}/_{3}$ of the amount to the Kansas horse breeding development fund created by K.S.A. 74-8829, and amendments thereto, and $^{2}/_{3}$ of the amount to the horse fair racing benefit fund created by K.S.A. 74-8838, and amendments thereto.

(d) The commission shall audit and verify that the amount of tax received from each organization licensee hereunder is correct.

(e) Nothing in this section shall be construed to impose any tax on amounts wagered on electronic gaming machine games operated pursuant to the Kansas expanded lottery act.

Sec. 2. K.S.A. 2023 Supp. 74-8823 is hereby repealed.";

Also on page 3, in line 40, by striking "Kansas register" and inserting "statute book";

And by renumbering sections accordingly;

On page 1, in the title, in line 1, by striking all after "concerning"; by striking all in line 2; in line 3, by striking "requirements" and inserting "gaming; relating to parimutuel racing; concerning distribution of the tax on amounts wagered on historic horse races"; also in line 3, by striking "12-2620, 44-584 and 44-590" and inserting "2023 Supp. 74-8823"; in line 4, by striking "sections" and inserting "section";

And your committee on conference recommends the adoption of this report.

MICHAEL THOMPSON
RICK KLOOS
OLETHA FAUST GOUDEAU
Conferees on part of Senate

WILL CARPENTER
TOM KESSLER
JOELLA HOYE
Conferees on part of House

Senator Thompson moved the Senate adopt the Conference Committee Report on

HB 2532.

On roll call, the vote was: Yeas 34; Nays 3; Present and Passing 2; Absent or Not Voting 1.

Yeas: Alley, Baumgardner, Billinger, Blasi, Bowers, Claeys, Corson, Dietrich, Doll, Erickson, Fagg, Faust-Goudeau, Gossage, Haley, Holland, Holscher, Kerschen, Kloos, Longbine, Masterson, O'Shea, Olson, Peck, Petersen, Pettey, Pittman, Pyle, Reddi, Shallenburger, Straub, Sykes, Thompson, Ware, Wilborn.

Nays: Francisco, Steffen, Tyson.

Present and Passing: McGinn, Warren.

Absent or Not Voting: Ryckman.

The Conference Committee Report was adopted.

CONFERENCE COMMITTEE REPORT

MR. SPEAKER and MR. PRESIDENT: Your committee on conference on Senate amendments to **HB 2560** submits the following report:

The House accedes to all Senate amendments to the bill, and your committee on conference further agrees to amend the bill as printed with Senate Committee amendments, as follows:

On page 1, following line 7, by inserting:

"New Section 1. (a) Sections 1 through 42, and amendments thereto, shall be known and may be cited as the Kansas money transmission act.

(b) As used in the Kansas money transmission act:

(1) "Act" means the Kansas money transmission act.

(2) "Acting in concert" means persons knowingly acting together with a common goal of jointly acquiring control of a licensee whether or not pursuant to an express agreement.

(3) "Authorized delegate" means a person designated by a licensee to engage in money transmission on behalf of the licensee.

(4) "Average daily money transmission liability" means the amount of the licensee's outstanding money transmission obligations in Kansas at the end of each day in a given period of time added together and divided by the total number of days in the given period of time. For any licensee required to calculate "average daily money transmission liability" pursuant to this act, the given period of time shall be the calendar quarters ending March 31, June 30, September 30 and December 31.

(5) "Closed loop stored value" means stored value that is redeemable by the issuer only for goods or services provided by the issuer or the issuer's affiliates or franchisees of the issuer or the franchisees's affiliates, except to the extent required by applicable law to be redeemable in cash for its cash value.

(6) "Commissioner" means the state bank commissioner, or a person designated by the state bank commissioner to enforce this act.

(7) "Control" means the power to:

(A) Vote directly or indirectly at least 25% of the outstanding voting shares or voting interests of a licensee or person in control of a licensee;

(B) elect or appoint a majority of key individuals or executive officers, managers, directors, trustees or other persons exercising managerial authority of a person in control of a licensee; or

(C) exercise, directly or indirectly, a controlling influence over the management or

policies of a licensee or person in control of a licensee.

(8) "Eligible rating" means a credit rating from any of the three highest rating categories provided by an eligible rating service. Each rating category may include rating category modifiers such as plus or minus for Standard & Poor or the equivalent for any other eligible rating service. "Eligible rating" shall be determined as follows:

(A) Long-term credit ratings shall be deemed eligible if the rating is equal to A- or higher by Standard & Poor or the equivalent from any other eligible rating service.

(B) Short-term credit ratings are deemed eligible if the rating is equal to or higher than A-2 or SP-2 by Standard & Poor or the equivalent from any other eligible rating service. If ratings differ among eligible rating services, the highest rating shall apply when determining whether a security bears an eligible rating.

(9) "Eligible rating service" means any nationally recognized statistical rating organization that has been registered by the securities and exchange commission or any organization designated by the commissioner through order or rules and regulations as an eligible rating service.

(10) "Federally insured depository financial institution" means a bank, credit union, savings and loan association, trust company, savings association, savings bank, industrial bank or industrial loan company organized under the laws of the United States or any state of the United States, when such bank, credit union, savings and loan association, trust company, savings association, savings bank, industrial bank or industrial loan company has federally insured deposits.

(11) "In Kansas" means the:

(A) Physical location of a person who is requesting a transaction in person in the state of Kansas; or

(B) person's residential address or the principal place of business for a person requesting a transaction electronically or by telephone if such residential address or principal place of business is in the state of Kansas.

(12) "Individual" means a natural person.

(13) "Key individual" means any individual ultimately responsible for establishing or directing policies and procedures of the licensee, including, but not limited to, an executive officer, manager, director or trustee.

(14) "Licensee" means a person licensed under this act.

(15) "Material litigation" means litigation, that according to United States generally accepted accounting principles, is significant to a person's financial health and would be a required disclosure in the person's annual audited financial statements, report to shareholders or similar records.

(16) "Money" means a medium of exchange that is authorized or adopted by the United States or a foreign government. "Money" includes a monetary unit of account established by an intergovernmental organization or by agreement between two or more governments.

(17) "Monetary value" means a medium of exchange, whether or not redeemable in money.

(18) (A) "Money transmission" means any of the following:

(i) Selling or issuing payment instruments to a person located in Kansas;

(ii) selling or issuing stored value to a person located in Kansas;

(iii) receiving money for transmission from a person located in Kansas; or

(iv) payroll processing services.

(B) "Money transmission" does not include the provision of solely online or telecommunications services or network access.

(19) "Money service business accredited state" means a state agency that is accredited by the conference of state bank supervisors and money transmitter regulators association for money transmission licensing and supervision.

(20) "Multistate licensing process" means any agreement entered into by state regulators relating to coordinated processing of applications for money transmission licenses, applications for the acquisition of control of a licensee, control determinations or notice and information requirements for a change of key individuals.

(21) "Nationwide multistate licensing system and registry" means a licensing system developed by the conference of state bank supervisors and the American association of residential mortgage regulators and owned and operated by the state regulatory registry, limited liability company or any successor or affiliated entity for the licensing and registration of persons in financial services industries.

(22) (A) "Outstanding money transmission obligation" means:

(i) Any payment instrument or stored value issued or sold by the licensee to a person located in the United States or reported as sold by an authorized delegate of the licensee to a person that is located in the United States that has not yet been paid or refunded by or for the licensee or escheated in accordance with applicable abandoned property laws; or

(ii) any money received for transmission by the licensee or an authorized delegate in the United States from a person located in the United States that has not been received by the payee or refunded to the sender or escheated in accordance with applicable abandoned property laws.

(B) "In the United States" includes a person in any state, territory or possession of the United States, the District of Columbia, the commonwealth of Puerto Rico or a United States military installation that is located in a foreign country.

(23) "Passive investor" means a person that:

(A) Does not have the power to elect a majority of key individuals or executive officers, managers, directors, trustees or other persons exercising managerial authority of a person in control of a licensee;

(B) is not employed by and does not have any managerial duties of the licensee or person in control of a licensee; or

(C) does not have the power to exercise, directly or indirectly, a controlling influence over the management or policies of a licensee or person in control of a licensee; and

(D) (i) Either attests to subparagraphs (A), (B) and (C) in a form and in a manner prescribed by the commissioner; or

(ii) commits to the passivity characteristics of subparagraphs (A), (B) and (C) in a written document.

(24) (A) "Payment instrument" means a written or electronic check, draft, money order, traveler's check or other written or electronic instrument for the transmission or payment of money or monetary value, regardless of negotiability.

(B) "Payment instrument" does not include stored value or any instrument that is:

(i) Redeemable by the issuer only for goods or services provided by the issuer or the issuer's affiliate or franchisees of the issuer or the franchisees' affiliate, except to the extent required by applicable law to be redeemable in cash for its cash value; or

(ii) not sold to the public but issued and distributed as part of a loyalty, rewards or promotional program.

(25) "Payroll processing services" means the receipt of money for transmission pursuant to a contract with a person to deliver wages or salaries, make payment of payroll taxes to state and federal agencies, make payments relating to employee benefit plans or make distributions of other authorized deductions from wages or salaries. "Payroll processing services" does not include an employer performing payroll processing services on the employer's own behalf or on behalf of an affiliate.

(26) "Person" means any individual, general partnership, limited partnership, limited liability company, corporation, trust, association, joint stock corporation or other corporate entity identified or recognized by the commissioner.

(27) "Receiving money for transmission" or "money received for transmission" means the receipt of money or monetary value in the United States for transmission within or outside the United States by electronic or other means.

(28) "Stored value" means monetary value representing a claim against the issuer evidenced by an electronic or digital record and that is intended and accepted for use as a means of redemption for money or monetary value or payment for goods or services. "Stored value" includes, but is not limited to, prepaid access as defined by 31 C.F.R. § 1010.100. "Stored value" does not include a payment instrument or closed loop stored value or stored value not sold to the public but issued and distributed as part of a loyalty, rewards or promotional program.

(29) "Tangible net worth" means the aggregate assets of a licensee excluding all intangible assets, less liabilities, as determined in accordance with United States generally accepted accounting principles.

(c) This section shall take effect on and after January 1, 2025.

New Sec. 2. (a) This act does not apply to:

(1) An operator of a payment system to the extent that such operator provides processing, clearing or settlement services between persons exempted under this subsection or licensees in connection with wire transfers, credit card transactions, debit card transactions, stored value transactions, automated clearing house transfers or similar funds transfers.

(2) A person appointed as an agent of a payee to collect and process a payment from a payor to the payee for goods or services other than money transmission provided to the payor by the payee if:

(A) A written agreement exists between the payee and the agent directing the agent to collect and process payments from payors on the payee's behalf;

(B) the payee holds the agent out to the public as accepting payments for goods or services on the payee's behalf; and

(C) payment for the goods and services is treated as received by the payee upon receipt by the agent so that the payor's obligation is extinguished and there is no risk of loss to the payor if the agent fails to remit the funds to the payee.

(3) A person that acts as an intermediary by processing payments between an entity that has directly incurred an outstanding money transmission obligation to a sender and the sender's designated recipient, if the entity:

(A) Is properly licensed or exempt from licensing requirements under this act;

(B) provides a receipt, electronic record or other written confirmation to the sender identifying the entity as the provider of money transmission in the transaction; and

(C) bears sole responsibility to satisfy the outstanding money transmission obligation to the sender, including the obligation to make the sender whole in connection with any failure to transmit the funds to the sender's designated recipient.

(4) The United States government and any agency, bureau, department, office or instrumentality, corporate or otherwise, thereof, including any official, employee or agent of any such entity.

(5) Money transmission by the United States postal service or by an agent of the United States postal service.

(6) Any state office or officer, department, board, commission, bureau, division, authority, agency or institution of this state, including any political subdivision thereof, and any county, city or other municipality.

(7) A federally insured depository financial institution, bank holding company, office of an international banking corporation, foreign bank that establishes a federal branch pursuant to 12 U.S.C. § 3102, a corporation organized pursuant to 12 U.S.C. §§ 1861 through 1867 or a corporation organized under 12 U.S.C. §§ 611 through 633.

(8) Electronic funds transfer of governmental benefits for a federal, state, county or governmental agency by a contractor on behalf of the United States or a department, agency or instrumentality thereof or on behalf of a state or governmental subdivision, agency or instrumentality thereof.

(9) A board of trade designated as a contract market under 7 U.S.C. §§ 1 through 25 or a person that in the ordinary course of business provides clearance and settlement services for a board of trade to the extent of the board of trade's operation as or for such a board.

(10) A futures commission merchant registered under federal commodities law to the extent of the registrant's operation as such a futures commission merchant.

(11) A person registered as a securities broker-dealer under federal or state securities law to the extent of such registrant's operation as such a securities broker-dealer.

(12) An individual employed by a licensee, authorized delegate or any person exempted from the licensing requirements of the act when acting within the scope of employment and under the supervision of the licensee, authorized delegate or exempted person as an employee and not as an independent contractor.

(13) A person expressly appointed as a third-party service provider to or agent of an entity exempt under paragraph (a)(6) solely to the extent that:

(A) Such service provider or agent is engaging in money transmission on behalf of and pursuant to a written agreement with the exempt entity that sets forth the specific functions that the service provider or agent is to perform; and

(B) the exempt entity assumes all risk of loss and all legal responsibility for satisfying the outstanding money transmission obligations owed to purchasers and holders of the outstanding money transmission obligations upon receipt of the purchaser's or holder's money or monetary value by the service provider or agent.

(14) A person engaging in the practice of law, bookkeeping, accounting, real estate sales or brokerage.

(15) A person appointed as an agent of a payor for purposes of providing payroll processing services for which such agent would otherwise need to be licensed if:

(A) There is a written agreement between the payor and the agent that directs the agent to provide payroll processing services on the payor's behalf;

(B) the payor holds the agent out to employees and other payees as providing payroll processing services on the payor's behalf; and

(C) the payor's obligation to a payee, including an employee or any other party entitled to receive funds via the payroll processing services provided by the agent, is not extinguished if such agent fails to remit such funds to the payee.

(16) A person exempt by any rules or regulations adopted or by an order issued if the commissioner finds such exemption to be in the public interest and that the regulation of such person is not necessary for the purposes of this act.

(b) The commissioner may require that any person claiming to be exempt from licensing pursuant to this section provide information and documentation to the commissioner demonstrating that such person qualifies for any claimed exemption.

(c) This section shall take effect on and after January 1, 2025.

New Sec. 3. (a) To carry out the purposes of this act, the commissioner may:

(1) Enter into agreements or relationships with other government officials or federal and state regulatory agencies and regulatory associations to improve efficiencies and reduce regulatory burden by standardizing methods or procedures and sharing resources, records or related information obtained under this act;

(2) use, hire, contract or employ analytical systems, methods or software to examine or investigate any person subject to this act;

(3) accept from other state or federal government agencies or officials, licensing, examination or investigation reports made by such other state or federal government agencies or officials; and

(4) accept audit reports made by an independent certified public accountant or other qualified third-party auditor for an applicant or licensee and incorporate the audit report in any report of examination or investigation.

(b) The commissioner shall have the broad administrative authority to administer, interpret and enforce this act, promulgate rules and regulations necessary to implement this act and set proportionate and equitable fees and costs associated with applications, examinations, investigations and other actions required to provide sufficient funds to meet the budget requirements of administering and enforcing the act for each fiscal year and to achieve the purposes of this act.

(c) This section shall take effect on and after January 1, 2025.

New Sec. 4. (a) (1) Except as otherwise provided in subsection (b), all information or reports obtained by the commissioner from an applicant, licensee or authorized delegate and all information contained in or related to an examination, investigation, operating report or condition report prepared by, on behalf of or for the use of the commissioner or financial statements, balance sheets or authorized delegate information, are confidential and are not subject to disclosure under the Kansas open records act, K.S.A. 45-215 et seq., and amendments thereto.

(2) The provisions of this subsection providing for the confidentiality of public records shall expire on July 1, 2030, unless the legislature reviews and reenacts such provisions in accordance with K.S.A. 45-229, and amendments thereto, prior to July 1, 2030.

(b) The commissioner may disclose information not otherwise subject to disclosure under subsection (a) to representatives of state or federal agencies who promise in a record that such representatives will maintain the confidentiality of the information or where the commissioner finds that the release is reasonably necessary for the protection

and interest of the public in accordance with the Kansas open records act.

(c) The following information contained in the records of the office of the state bank commissioner that is not confidential and may be made available to the public:

(1) The name, business address, telephone number and unique identifier of a licensee;

(2) the business address of a licensee's registered agent for service;

(3) the name, business address and telephone number of all authorized delegates;

(4) the terms of or a copy of any bond filed by a licensee, provided that confidential information, including, but not limited to, prices and fees for such bond is redacted; or

(5) copies of any orders of the office of the state bank commissioner relating to any violation of this act or regulations implementing this act.

(d) This section shall not be construed to prohibit the commissioner from disclosing to the public a list of all licensees or the aggregated financial or transactional data concerning those licensees.

(e) This section shall take effect on and after January 1, 2025.

New Sec. 5. (a) The commissioner may conduct an examination or investigation of a licensee or authorized delegate or otherwise take independent action authorized by this act or by any rules and regulations adopted or an order issued under this act as reasonably necessary or appropriate to administer and enforce this act, regulations implementing this act and other applicable federal law. The commissioner may:

(1) Conduct an examination on-site or off-site as the commissioner may reasonably require;

(2) conduct an examination in conjunction with an examination conducted by representatives of other state agencies, agencies of another state or the federal government;

(3) accept the examination report of another state agency or an agency of another state or the federal government or a report prepared by an independent accounting firm, which, on being accepted, is considered for all purposes as an official report of the commissioner; and

(4) summon and examine under oath or subpoena a key individual or employee of a licensee or authorized delegate and require such individual or employee to produce records regarding any matter related to the condition and business of the licensee or authorized delegate.

(b) A licensee or authorized delegate shall provide the commissioner with full and complete access to all records the commissioner may reasonably require to conduct a complete examination. The records shall be provided at the location and in the format specified by the commissioner. The commissioner may utilize multistate record production standards and examination procedures when such standards will reasonably achieve the requirements of this section.

(c) Unless otherwise directed by the commissioner, a licensee shall pay all costs reasonably incurred in connection with an examination of the licensee or the licensee's authorized delegates.

(d) This section shall take effect on and after January 1, 2025.

New Sec. 6. (a) To administer and enforce the provisions of this act and minimize the regulatory burden, the commissioner is hereby authorized to participate in multistate supervisory processes established between states and coordinated through the conference of state bank supervisors, money transmitter regulators associations and

affiliates and successors thereof for all licensees that hold licenses in Kansas or other states. As a participant in such established multistate supervisory processes, the commissioner may:

(1) Cooperate, coordinate and share information with other state and federal regulators in accordance with section 5, and amendments thereto;

(2) enter into written cooperation, coordination or information-sharing contracts or agreements with organizations, the membership of which is made up of state or federal governmental agencies; and

(3) cooperate, coordinate and share information with organizations, the membership of which is made up of state or federal governmental agencies, if the organizations agree in writing to maintain the confidentiality and security of the shared information in accordance with section 4, and amendments thereto.

(b) The commissioner shall not waive, and nothing in this section shall constitute a waiver of, the commissioner's authority to conduct an examination or investigation or otherwise take independent action authorized by this act or rules and regulations adopted or an order issued under this act to enforce compliance with applicable state or federal law.

(c) A joint examination or investigation or acceptance of an examination or investigation report shall not be construed to waive an examination assessment provided for in this act.

(d) This section shall take effect on and after January 1, 2025.

New Sec. 7. (a) If the jurisdiction of state money transmission is conditioned on federal law, any inconsistencies between a provision of this act and such federal law governing money transmission shall be governed by the applicable federal law to the extent of such inconsistency.

(b) If there are any inconsistencies between this act and any federal law that governs pursuant to subsection (a), the commissioner may provide interpretive guidance that identifies the:

(1) Inconsistency; and

(2) appropriate means of compliance with federal law.

(c) This section shall take effect on and after January 1, 2025.

New Sec. 8. (a) A person may not engage in the business of money transmission or advertise, solicit or hold itself out as providing money transmission unless the person is licensed under this act.

(b) Subsection (a) shall not apply to a person that is:

(1) An authorized delegate of a person licensed under this act acting within the scope of authority conferred by a written contract with the licensee; or

(2) exempt pursuant to section 2, and amendments thereto, and does not engage in money transmission outside the scope of such exemption.

(c) A license issued pursuant to section 13, and amendments thereto, shall not be transferable or assignable.

(d) This section shall take effect on and after January 1, 2025.

New Sec. 9. (a) To establish consistent licensing practices between Kansas and other states, the commissioner is hereby authorized to:

(1) Implement all licensing provisions of this act in a manner consistent with other states that have adopted this act or multistate licensing processes; and

(2) participate in nationwide protocols for licensing cooperation and coordination

among state regulators, if such protocols are consistent with this act.

(b) The commissioner is authorized to establish relationships or contracts with the national multistate licensing system and registry or other entities designated by the national multistate licensing system and registry to:

(1) Collect and maintain records;

(2) coordinate multistate licensing processes and supervision processes;

(3) process fees; and

(4) facilitate communication between the commissioner and licensees or other persons subject to this act.

(c) The commissioner may utilize the nationwide multistate licensing system and registry for all aspects of licensing in accordance with this act, including, but not limited to, license applications, applications for acquisitions of control, surety bonds, reporting, criminal history background checks, credit checks, fee processing and examinations.

(d) The commissioner may utilize nationwide multistate licensing system and registry forms, processes and functionalities in accordance with this act. If the nationwide multistate licensing system and registry does not provide functionality, forms or processes for the provision of this act, the commissioner is authorized to implement the requirements in a manner that facilitates uniformity regarding the licensing, supervision, reporting and regulation of licensees that are licensed in multiple jurisdictions.

(e) The commissioner may establish new requirements or waive or modify, in whole or in part, any or all of the existing requirements as reasonably necessary to participate in the nationwide multistate licensing system and registry through the adoption of any rules and regulations adopted or an order issued or the issuance of an order.

(f) This section shall take effect on and after January 1, 2025.

New Sec. 10. (a) Applicants for a license shall submit a completed application in a form and manner as prescribed by the commissioner. Each such application shall contain content as set forth by rules and regulations, instruction or procedure of the commissioner and may be changed or updated by the commissioner in accordance with applicable law to carry out the purposes of this act and maintain consistency with nationwide multistate licensing system and registry licensing standards and practices. The application shall state or contain, as applicable:

(1) The legal name and any fictitious or trade name used by the applicant in conducting business and the residential and business addresses of the applicant;

(2) a list of any criminal convictions of the applicant and any material litigation in which the applicant was involved in the 10-year period immediately preceding the submission of the application;

(3) a description of any money transmission services previously provided by the applicant and the money transmission services the applicant seeks to provide in Kansas;

(4) a list of the applicant's proposed authorized delegates and the locations in Kansas where the applicant and the applicant's authorized delegates propose to engage in money transmission;

(5) a list of all other states where the applicant is licensed to engage in money transmission and any license revocations, suspensions or other disciplinary action taken against the applicant in other states;

(6) information concerning any bankruptcy or receivership proceedings affecting the licensee or a person in control of a licensee;

(7) a sample form of the contract for authorized delegates, if applicable;

(8) a sample form of the payment instrument or stored value, as applicable;

(9) the name and address of any federally insured depository financial institution through which the applicant plans to conduct money transmission; and

(10) any other information the commissioner or the nationwide multistate licensing system and registry reasonably requires regarding the applicant.

(b) If an applicant is a corporation, limited liability company, partnership or other legal entity, the applicant shall also provide:

(1) The date of the applicant's incorporation or formation and state or country of incorporation or formation;

(2) a certificate of good standing from the state or country where the applicant is incorporated or formed, if applicable;

(3) a brief description of the business structure or organization of the applicant, including any parents or subsidiaries of the applicant and whether any such parents or subsidiaries are publicly traded;

(4) the legal name, any fictitious or trade name, all business and residential addresses and the employment, as applicable, for the 10-year period immediately preceding the submission of the application for each key individual and person in control of the applicant;

(5) for any person in control of the applicant, a list of any felony convictions and for the 10-year period immediately preceding the submission of the application, a list of any criminal misdemeanor convictions of a crime of dishonesty, fraud or deceit and any material litigation in which the person involved is in control of an applicant that is not an individual;

(6) a copy of the applicant's audited financial statements for the most recent fiscal year and for the two-year period immediately preceding the most recent fiscal year or, if acceptable to the commissioner, certified unaudited financial statements for the most recent fiscal year or other period acceptable to the commissioner;

(7) a certified copy of the applicant's unaudited financial statements for the most recent fiscal quarter;

(8) if the applicant is a publicly traded corporation, a copy of the most recent report filed with the securities and exchange commission pursuant to 15 U.S.C. § 78m;

(9) if the applicant is a wholly owned subsidiary of:

(A) A corporation publicly traded in the United States, a copy of the parent corporation's audited financial statements for the most recent fiscal year or a copy of the parent corporation's most recent financial report filed with the securities and exchange commission pursuant to 15 U.S.C. § 78m; or

(B) a corporation publicly traded outside the United States, a copy of documentation similar to the requirements of paragraph (A) filed with the regulator of the parent corporation's domicile outside the United States;

(10) the name and address of the applicant's registered agent in Kansas; and

(11) any other information that the commissioner reasonably requires regarding the applicant.

(c) The commissioner shall set a nonrefundable new application fee each year pursuant to section 3(b), and amendments thereto.

(d) The commissioner may waive one or more requirements of subsections (a) or (b) or permit an applicant to submit other information in lieu of the required information.

(e) This section shall take effect on and after January 1, 2025.

New Sec. 11. (a) As a part of any original application, any individual in control of a licensee, any applicant in control of a licensee and each key individual shall provide the commissioner with the following items through the nationwide multistate licensing system and registry:

(1) (A) The office of the state bank commissioner may require an individual to be fingerprinted and submit to a state and national criminal history record check. The fingerprints shall be used to identify the individual and to determine whether such individual has a record of criminal history in this state or other jurisdictions. The office of the state bank commissioner is authorized to submit the fingerprints to the Kansas bureau of investigation and the federal bureau of investigation for a state and national criminal history record check. The office of the state bank commissioner may use the information obtained from fingerprinting and the criminal history for purposes of verifying the identification of the individual and in the official determination of the qualifications and fitness of the individual to be issued or to maintain a license;

(B) Local and state law enforcement officers and agencies shall assist the office of the state bank commissioner in taking and processing of fingerprints of applicants for and holders of any license, registration, permit or certificate;

(C) The Kansas bureau of investigation shall release all records of adult convictions and nonconvictions in Kansas and adult convictions, adjudications and nonconvictions of another state or country to the office of the state bank commissioner. Disclosure or use of any information received for any purpose other than provided in this section shall be a class A misdemeanor and shall constitute grounds for removal from office or termination of employment; and

(D) Any individual that currently resides and has continuously resided outside of the United States for the past 10 years shall not be required to comply with this subsection; and

(2) a description of the individual's personal history and experience provided in a form and manner prescribed by the commissioner to obtain the following:

(A) An independent credit report from a consumer reporting agency. This requirement shall be waived if the individual does not have a social security number;

(B) information related to any criminal convictions or pending charges; and

(C) information related to any regulatory or administrative action and any civil litigation involving claims of fraud, misrepresentation, conversion, mismanagement of funds, breach of fiduciary duty or breach of contract.

(b) (1) If the individual has resided outside of the United States at any time during the 10-year period immediately preceding the individual's application, the individual shall also provide an investigative background report prepared by an independent search firm.

(2) At a minimum, the search firm shall:

(A) Demonstrate that it has sufficient knowledge and resources and that such firm employs accepted and reasonable methodologies to conduct the research of the background report; and

(B) not be affiliated with or have an interest with the individual it is researching.

(3) The investigative background report shall be provided in English and, at a minimum, shall contain the following:

(A) A comprehensive credit report or any equivalent information obtained or generated by the independent search firm to accomplish such report, including a search of the court data in the countries, provinces, states, cities, towns and contiguous areas where the individual resided and worked if such report is available in the individual's current jurisdiction of residency;

(B) criminal records information for the 10-year period immediately preceding the individual's application, including, but not limited to, felonies, misdemeanors or similar convictions for violations of law in the countries, provinces, states, cities, towns and contiguous areas where the individual resided and worked;

(C) employment history;

(D) media history including an electronic search of national and local publications, wire services and business applications; and

(E) financial services-related regulatory history, including, but not limited to, money transmission, securities, banking, insurance and mortgage-related industries.

(c) Any information required by this section may be used by the commissioner in making an official determination of the qualifications and fitness of the person in control or who seeks to gain control of the licensee.

(d) This section shall take effect on and after January 1, 2025.

New Sec. 12. (a) A person is presumed to exercise a controlling influence when such person holds the power to vote, directly or indirectly, at least 10% of the outstanding voting shares or voting interests of a licensee or person in control of a licensee.

(b) A person presumed to exercise a controlling influence pursuant to this section may rebut the presumption of control if the person is a passive investor.

(c) For purposes of determining the percentage of a person controlled by any individual, the individual's interest shall be aggregated with the interest of any other immediate family member, including the individual's spouse, parents, children, siblings, mothers-in-law and fathers-in-law, sons-in-law and daughters-in-law, brothers-in-law and sisters-in-law and any other person who shares such individual's home.

(d) This section shall take effect on and after January 1, 2025.

New Sec. 13. (a) (1) When an application for an original license under this act appears to include all the items and addresses all of the matters that are required, the application shall be deemed complete, and the commissioner shall promptly notify the applicant of the date the application is deemed complete. The commissioner shall approve or deny the application within 120 days after the completion date.

(2) If the application has not been approved or denied within 120 days after the completion date:

(A) The application shall be considered approved; and

(B) the license shall take effect as of the first business day after expiration of the 120-day period.

(3) The commissioner may extend the application period for good cause.

(b) A determination by the commissioner that an application is complete and accepted for processing means that the application, on its face, appears to include all of the items, including the criminal history background check response from the Kansas bureau of investigation and that such application addresses all of the matters that are

required. A determination of completion by the commissioner shall not be deemed to be an assessment of the substance of the application or of the sufficiency of the information provided.

(c) When an application is filed and considered complete under this section, the commissioner shall investigate the applicant's financial condition and responsibility, financial and business experience, character and general fitness. The commissioner may conduct an on-site investigation of the applicant at the applicant's expense. The commissioner shall issue a license to an applicant under this section if the commissioner finds that the following conditions have been fulfilled:

(1) The applicant has complied with sections 10 and 11, and amendments thereto; and

(2) the financial condition and responsibility, financial and business experience, competence, character and general fitness of the applicant and key individuals and persons in control of the applicant indicate that it is in the interest of the public to permit the applicant to engage in money transmission.

(d) If an applicant avails itself or is otherwise subject to a multistate licensing process:

(1) The commissioner is hereby authorized to accept the investigation results of a lead investigative state to satisfy the requirements of subsection (c) if such lead investigative state has sufficient staffing, expertise and minimum standards; or

(2) if Kansas is the lead investigative state, the commissioner is hereby authorized to investigate the applicant pursuant to subsection (c) utilizing the timeframes established by agreement through the multistate licensing process. No such timeframes shall be considered noncompliant with the application period in subsection (a)(1).

(e) The commissioner shall issue a formal written notice of the denial of a license application within 14 days of the decision to deny the application. The commissioner shall state in the notice of denial the specific reasons for the denial of the application. An applicant whose application is denied by the commissioner under this subsection may appeal within 14 days of receiving the notice and request a hearing in accordance with the Kansas administrative procedure act, K.S.A. 77-501 et seq., and amendments thereto.

(f) The initial license term shall begin on the day the application is approved. The license shall expire on December 31 of the year in which the license term began, unless the initial license date is between November 1 and December 31, in which case the initial license term shall run through December 31 of the following year.

(g) This section shall take effect on and after January 1, 2025.

New Sec. 14. (a) (1) A license issued under this act shall be renewed annually.

(2) An annual renewal fee set by the commissioner shall be paid not more than 60 days before the license expiration.

(3) The renewal term shall be for a period of one year and shall begin on January 1 of each year after the initial license term and shall expire on December 31 of the year the renewal term begins.

(b) A licensee shall submit a complete renewal report with the renewal fee, in a form and manner determined by the commissioner. The renewal report shall contain a description of each material change in information submitted by the licensee in the licensee's original license application that has not been reported to the commissioner.

(c) Renewal applications received within 30 days of the expiration of the license

and incomplete applications as of 30 days prior to the expiration of the license shall be subject to a late fee set by the commissioner.

(d) The commissioner may grant an extension of the renewal date for good cause.

(e) The commissioner is hereby authorized to utilize the nationwide multistate licensing system and registry to process license renewals, if such utilization satisfies the requirements of this section.

(f) Renewal applications submitted between November 1, 2024 and December 31, 2024, considered complete pursuant to K.S.A. 9-509, and amendments thereto, shall be considered complete under this section.

(g) This section shall take effect on and after January 1, 2025.

New Sec. 15. (a) If a licensee does not continue to meet the qualifications or satisfy the requirements of an applicant for a new money transmission license, the commissioner may suspend or revoke the licensee's license in accordance with the procedures established by this act or other applicable state law for such suspension or revocation.

(b) An applicant for a money transmission license shall demonstrate that such applicant meets or will meet and a money transmission licensee shall at all times meet, the requirements of sections 32, 33 and 34, and amendments thereto.

(c) This section shall take effect on and after January 1, 2025.

New Sec. 16. (a) The commissioner shall have the discretion to determine the completeness of any application submitted pursuant to this act. In making such a determination, the commissioner shall consider the applicant's compliance with the requirements of the act and any other facts and circumstances that the commissioner deems appropriate.

(b) If an applicant fails to complete the application for a new license or for a change of control of a license within 60 days after the commissioner provides written notice of the incomplete application, the application will be deemed abandoned and the application fee shall be nonrefundable. An applicant whose application is abandoned under this section may reapply to obtain a new license.

(c) This section shall take effect on and after January 1, 2025.

New Sec. 17. (a) When any person or group of persons acting in concert are seeking to acquire control of a licensee, the licensee shall obtain the written approval of the commissioner prior to the change of control. An individual is not deemed to acquire control of a licensee and is not subject to this section when that individual becomes a key individual in the ordinary course of business.

(b) A person or group of persons acting in concert that seeks to acquire control of a licensee in cooperation with such licensee shall submit an application in the form and manner prescribed by the commissioner. Such application shall be accompanied by a nonrefundable fee set by the commissioner.

(c) Upon request, the commissioner may permit a licensee, the person or group of persons acting in concert to submit some or all information required by the commissioner pursuant to subsection (b) without using the nationwide multistate licensing system and registry.

(d) The application required by subsection (b) shall include all information required by section 11, and amendments thereto, for any new key individuals who have not previously completed the requirements of section 11, and amendments thereto, for a licensee.

(e) (1) When an application for acquisition of control under this section appears to include all the items and addresses all of the matters that are required, the application shall be deemed complete and the commissioner shall promptly notify the applicant of the date on which the application was so deemed, and the commissioner shall approve or deny the application within 60 days after the completion date.

(2) If the application is not approved or denied within 60 days after the completion date:

(A) The application shall be deemed approved; and

(B) the person or group of persons acting in concert shall not be prohibited from acquiring control.

(3) The commissioner may extend the application period for good cause.

(f) A determination by the commissioner that an application is complete and is accepted for processing means only that the application, on its face, appears to include all of the items and addresses all of the matters that are required. A determination of completion by the commissioner shall not be deemed to be an assessment of the substance of the application or of the sufficiency of the information provided.

(g) When an application is filed and considered complete under subsection (e), the commissioner shall investigate the financial condition and responsibility, financial and business experience, character and general fitness of the person or group of persons acting in concert who seek to acquire control. The commissioner shall approve an acquisition of control pursuant to this section if the commissioner finds that all of the following conditions have been fulfilled:

(1) The requirements of subsections (b) and (d) have been met, as applicable; and

(2) the financial condition and responsibility, financial and business experience, competence, character and general fitness of the person or group of persons acting in concert seeking to acquire control and the key individuals and persons that would be in control of the licensee after the acquisition of control indicate that it is in the interest of the public to permit the person or group of persons acting in concert to control the licensee.

(h) If an applicant avails itself or is otherwise subject to a multistate licensing process:

(1) The commissioner shall be authorized to accept the investigation results of a lead investigative state for the purposes of subsection (g) if the lead investigative state has sufficient staffing, expertise and minimum standards; or

(2) if Kansas is a lead investigative state, the commissioner shall be authorized to investigate the applicant pursuant to subsection (g) and the timeframes established by agreement through the multistate licensing process.

(i) The commissioner shall issue a formal written notice of the denial of an application to acquire control within 30 days of the decision to deny the application. The commissioner shall state in the notice of denial the specific reasons for the denial of the application. An applicant whose application is denied by the commissioner under this subsection may appeal within 14 days and request a hearing in accordance with the Kansas administrative procedure act, K.S.A. 77-501 et seq., and amendments thereto.

(j) The requirements of subsections (a) and (b) shall not apply to any of the following:

(1) A person that acts as a proxy for the sole purpose of voting at a designated meeting of the shareholders or holders of voting shares or voting interests of a licensee

or a person in control of a licensee;

(2) a person that acquires control of a licensee by devise or descent;

(3) a person that acquires control of a licensee as a personal representative, custodian, guardian, conservator or trustee or as an officer appointed by a court of competent jurisdiction or by operation of law;

(4) a person that is exempt under subsection (l);

(5) a person that the commissioner determines is not subject to subsection (a) based on the public interest;

(6) a public offering of securities of a licensee or a person in control of a licensee; or

(7) an internal reorganization of a person in control of the licensee if the ultimate person in control of the licensee remains the same.

(k) Persons meeting the requirements of subsections (j)(2), (j)(3), (j)(4), (j)(6) or (j)(7) in cooperation with the licensee shall notify the commissioner within 15 days after the acquisition of control.

(l) (1) The requirements of subsections (a) and (b) shall not apply to a person that has complied with and received approval to engage in money transmission under this act or was identified as a person in control in a prior application filed with and approved by the commissioner or by a money service business-accredited state pursuant to a multistate licensing process, if:

(A) The person has not had a license revoked or suspended or controlled a licensee that has had a license revoked or suspended while the person was in control of the licensee in the previous five years;

(B) the person is a licensee, such person is well managed and has received at least a satisfactory rating for compliance at such person's most recent examination by an money service business accredited state if such rating was given;

(C) the licensee to be acquired is expected to meet the requirements of sections 32, 33 and 34, and amendments thereto, after the acquisition of control is completed. If the person acquiring control is a licensee, such licensee shall also be expected to meet the requirements of sections 32, 33 and 34, and amendments thereto, after the acquisition of control is completed;

(D) the licensee to be acquired shall not implement any material changes to such licensee's business plan as a result of the acquisition of control. If the person acquiring control is a licensee, such licensee shall not implement any material changes to such licensee's business plan as a result of the acquisition of control; and

(E) the person provides notice of the acquisition in cooperation with the licensee and attests to the provisions of this subsection in a form and manner prescribed by the commissioner.

(2) If the notice is not disapproved within 30 days after the date on which the notice was determined to be complete, the notice shall be deemed approved.

(m) Before filing an application for approval to acquire control of a licensee, a person may request in writing a determination from the commissioner as to whether such person would be considered a person in control of a licensee upon consummation of a proposed transaction. If the commissioner determines that the person would not be a person in control of a licensee, the person and the proposed transaction shall not be subject to the requirements of subsections (a) and (b).

(n) If a multistate licensing process includes a determination pursuant to subsection

(m) and an applicant avails itself or is otherwise subject to the multistate licensing process:

(1) The commissioner is hereby authorized to accept the control determination of a lead investigative state with sufficient staffing, expertise and minimum standards for the purpose of subsection (m); or

(2) if Kansas is a lead investigative state, the commissioner is hereby authorized to investigate the applicant pursuant to subsection (m) and the timeframes established by agreement through the multistate licensing process.

(o) This section shall take effect on and after January 1, 2025.

New Sec. 18. (a) A licensee adding or replacing a key individual shall provide:

(1) Notice in the manner prescribed by the commissioner within 15 days after the effective date of the appointment of the new key individual; and

(2) information as required by section 10, and amendments thereto, within 45 days of the effective date of the appointment of the new key individual.

(b) Within 90 days of the date on which the notice provided pursuant to subsection (a) was determined to be complete, the commissioner may issue a notice of disapproval of a key individual if the competence, experience, character or integrity of the individual would not be in the best interests of the public or the customers of the licensee to permit the individual to be a key individual of such licensee.

(c) A notice of disapproval shall state the basis for disapproval and shall be sent to the licensee and the disapproved individual. A licensee may appeal a notice of disapproval pursuant to the Kansas administrative procedure act, K.S.A. 77-501 et seq., and amendments thereto, within 14 days.

(d) If the notice provided pursuant to subsection (a) is not disapproved within 90 days after the date when the notice was determined to be complete, the key individual shall be deemed approved.

(e) If a multistate licensing process includes a key individual notice review and disapproval process pursuant to this section and the licensee avails itself or is otherwise subject to the multistate licensing process:

(1) The commissioner is hereby authorized to accept the determination of another state if the investigating state has sufficient staffing, expertise and minimum standards for the purpose of this section; or

(2) if Kansas is a lead investigative state, the commissioner is authorized to investigate the applicant pursuant to subsection (b) and the timeframes established by agreement through the multistate licensing process.

(f) This section shall take effect on and after January 1, 2025.

New Sec. 19. (a) Every licensee shall submit a report of condition within 45 days of the end of the calendar quarter or within any extended time as the commissioner may prescribe.

(b) The report of condition shall include:

(1) Financial information at the licensee level;

(2) nationwide and state-specific money transmission transaction information in every jurisdiction in the United States where the licensee is licensed to engage in money transmission;

(3) the permissible investments report;

(4) transaction destination country reporting for money received for transmission, if applicable; and

(5) any other information the commissioner reasonably requires regarding the licensee.

(c) The commissioner may utilize the nationwide multistate licensing system and registry for the submission of the report required by subsection (a) and is authorized to change or update as necessary the requirements of this section to carry out the purposes of this act and maintain consistency with nationwide multistate licensing system and registry reporting.

(d) The information required by subsection (b)(4) shall only be included in a report of condition submitted within 45 days of the end of the fourth calendar quarter.

(e) This section shall take effect on and after January 1, 2025.

New Sec. 20. (a) Within 90 days after the end of each fiscal year or within any extended time as the commissioner may prescribe through rules and regulations, every licensee shall file with the commissioner:

(1) An audited financial statement of the licensee for the fiscal year prepared in accordance with United States generally accepted accounting principles; and

(2) any other information as the commissioner may reasonably require.

(b) The audited financial statements shall be prepared by an independent certified public accountant or independent public accountant who has been deemed satisfactory by the commissioner.

(c) The audited financial statements shall include or be accompanied by a certificate of opinion of the independent certified public accountant or independent public accountant in a form and manner determined by the commissioner. If the certificate or opinion is qualified, the commissioner may order the licensee to take any action as the commissioner may find necessary to enable the independent certified public accountant or independent public accountant to remove the qualification.

(d) This section shall take effect on and after January 1, 2025.

New Sec. 21. (a) Each licensee shall submit a report of authorized delegates within 45 days of the end of each calendar quarter. The commissioner is authorized to utilize the nationwide multistate licensing system and registry for the submission of the report required by this subsection if such utilization is consistent with the requirements of this section.

(b) The authorized delegate report shall include, at a minimum, each authorized delegate's:

(1) Company legal name;

(2) taxpayer employer identification number;

(3) principal provider identifier;

(4) physical address;

(5) mailing address;

(6) any business conducted in other states;

(7) any fictitious or trade name;

(8) contact person's name, phone number and email;

(9) start date as the licensee's authorized delegate;

(10) end date acting as the licensee's authorized delegate, if applicable; and

(11) any other information the commissioner reasonably requires regarding the authorized delegate.

(c) This section shall take effect on and after January 1, 2025.

New Sec. 22. (a) A licensee shall file a report with the commissioner within one

business day after the licensee has reason to know of the:

(1) Filing of a bankruptcy or reorganization petition by or against the licensee;

(2) filing of a petition by or against the licensee for receivership, the commencement of any other judicial or administrative proceeding for the licensee's dissolution or reorganization or the making of a general assignment for the benefit of the licensee's creditors; or

(3) commencement of a proceeding to revoke or suspend the licensee's license in a state or country where the licensee engages in business or is licensed.

(b) A licensee shall file a report with the commissioner within three business days after the licensee has reason to know of a felony conviction of:

(1) The licensee or a key individual or person in control of the licensee; or

(2) an authorized delegate.

(c) This section shall take effect on and after January 1, 2025.

New Sec. 23. (a) A licensee and an authorized delegate shall file all reports required by federal currency reporting, recordkeeping and suspicious activity reporting requirements as set forth in federal and state laws pertaining to money laundering. The timely filing of a complete and accurate report required under this section with the appropriate federal agency is deemed compliant with the requirements of this section.

(b) This section shall take effect on and after January 1, 2025.

New Sec. 24. (a) Every licensee shall maintain the following records for at least three years:

(1) A record of each outstanding money transmission obligation sold;

(2) a general ledger posted at least monthly containing all assets, liability, capital, income and expense accounts;

(3) bank statements and bank reconciliation records;

(4) records of all outstanding money transmission obligations;

(5) records of each outstanding money transmission obligation paid within the three-year period the records are maintained;

(6) a list of the last known names and addresses of all the licensee's authorized delegates; and

(7) any other records the commissioner reasonably requires in rules and regulations.

(b) Records specified in subsection (a) may be maintained:

(1) In any form of record; and

(2) outside this state, if such records are made accessible to the commissioner on seven business days' notice.

(c) All records maintained by the licensee as required in this section are open to inspection by the commissioner pursuant to section 5(a), and amendments thereto.

(d) This section shall take effect on and after January 1, 2025.

New Sec. 25. (a) As used in this section, "remit" means to make direct payments of money to a licensee or the licensee's representative authorized to receive money or to deposit money in a bank in an account specified by the licensee.

(b) Before a licensee is authorized to conduct business through an authorized delegate or allows a person to act as the licensee's authorized delegate, the licensee shall:

(1) Adopt and update as necessary all written policies and procedures reasonably designed to ensure that the licensee's authorized delegates comply with applicable state and federal law;

(2) enter into a written contract that complies with subsection (d); and

(3) conduct a reasonable risk-based background investigation sufficient for the licensee to determine if the authorized delegate has complied and will likely comply with applicable state and federal law.

(c) An authorized delegate shall comply with this act.

(d) The written contract required by subsection (b) shall be signed by the licensee and the authorized delegate and, at a minimum, shall:

(1) Appoint the person signing the contract as the licensee's authorized delegate with the authority to conduct money transmission on behalf of the licensee;

(2) set forth the nature and scope of the relationship between the licensee and the authorized delegate and the respective rights and responsibilities of each party;

(3) require the authorized delegate to agree to fully comply with all applicable state and federal laws and rules and regulations pertaining to money transmission;

(4) require the authorized delegate to remit and handle money and any monetary value in accordance with the terms of the contract between the licensee and the authorized delegate;

(5) impose a trust on money and any monetary value net of fees received for money transmission for the benefit of the licensee;

(6) require the authorized delegate to prepare and maintain records as required by this act or rules and regulations adopted pursuant to this act or as reasonably required by the commissioner;

(7) acknowledge that the authorized delegate consents to examination or investigation by the commissioner;

(8) state that the licensee is subject to regulation by the commissioner and, as part of such regulation, the commissioner may suspend or revoke an authorized delegate designation or require the licensee to terminate an authorized delegate designation; and

(9) acknowledge receipt of the written policies and procedures required under subsection (b).

(e) Within five business days after the suspension, revocation, surrender or expiration of a licensee's license, the licensee shall provide documentation to the commissioner that the licensee has notified all applicable authorized delegates of the licensee whose names are in a record filed with the commissioner of the suspension, revocation, surrender or expiration of a license. Upon suspension, revocation, surrender or expiration of a license, all applicable authorized delegates shall immediately cease to provide money transmission as an authorized delegate of the licensee.

(f) An authorized delegate of a licensee holds in trust for the benefit of the licensee all money net of fees received from money transmission. If an authorized delegate commingles any funds received from money transmission with any other funds or property owned or controlled by the authorized delegate, all commingled funds and other property shall be considered held in trust in favor of the licensee in an amount equal to the amount of money net of fees received from money transmission.

(g) No authorized delegate shall use a subdelegate to conduct money transmission on behalf of a licensee.

(h) This section shall take effect on and after January 1, 2025.

New Sec. 26. (a) No person shall engage in the business of money transmission on behalf of a person who is not licensed or exempt from licensing under this act. If a person engages in such activity, such person shall be deemed to have provided money

transmission to the same extent that such person were a licensee and shall be jointly and severally liable with the unlicensed or nonexempt person.

(b) This section shall take effect on and after January 1, 2025.

New Sec. 27. (a) Every licensee shall forward all moneys received for transmission in accordance with the terms of the agreement between the licensee and the sender unless the licensee reasonably believes or has a reasonable basis to believe that the sender may be a victim of fraud or that a crime or violation of law or any rules and regulations has occurred, is occurring or may occur.

(b) If a licensee fails to forward money received for transmission in accordance with this section, the licensee shall respond to inquiries by the sender with the reason for the failure unless providing a response would violate a state or federal law or rules and regulations.

(c) This section shall take effect on and after January 1, 2025.

New Sec. 28. (a) This section does not apply to moneys received for transmission:

(1) Subject to 12 C.F.R. §§ 1005.30 through 1005.36; or

(2) pursuant to a written agreement between the licensee and payee to process payments for goods or services provided by the payee.

(b) Within 10 days of receipt of the sender's written request for a refund of all money received for transmission, the licensee shall refund such money to the sender, unless:

(1) The money has been forwarded within 10 days of the date when the money was received for transmission;

(2) instructions have been given committing an equivalent amount of money to the person designated by the sender within 10 days of the date when the money was received for transmission;

(3) the agreement between the licensee and the sender instructs the licensee to forward the money after 10 days of the date when the money was received for transmission. If funds have not yet been forwarded in accordance with the terms of the agreement between the licensee and the sender, the licensee shall issue a refund in accordance with this section; or

(4) the refund is requested for a transaction that the licensee has not completed based on a reasonable belief or a reasonable basis to believe that a crime or violation of law, rules and regulations has occurred, is occurring or may occur.

(c) The refund request shall not be construed to enable the licensee to identify the:

(1) Sender's name and address or telephone number; or

(2) particular transaction to be refunded if the sender has multiple outstanding transactions.

(d) This section shall take effect on and after January 1, 2025.

New Sec. 29. (a) This section shall not apply to:

(1) Money received for transmission subject to 12 C.F.R. §§ 1005.30 through 1005.36;

(2) money received for transmission that is not primarily for personal, family or household purposes;

(3) money received for transmission pursuant to a written agreement between the licensee and payee to process payments for goods or services provided by the payee; or

(4) payroll processing services.

(b) As used in this section, "receipt" means a paper or electronic receipt.

(c) (1) For a transaction conducted in person, the receipt may be provided electronically if the sender requests or agrees to receive an electronic receipt.

(2) For a transaction conducted electronically or by phone, a receipt may be provided electronically. All electronic receipts shall be provided in a retainable form.

(d) (1) Every licensee or the licensee's authorized delegate shall provide the sender a receipt for money received for transmission.

(2) The receipt shall contain the:

(A) Name of the sender;

(B) name of the designated recipient;

(C) date of the transaction;

(D) unique transaction or identification number;

(E) name of the licensee, the licensee's nationwide multistate licensing system and registry unique identification number, the licensee's business address and the licensee's customer service telephone number;

(F) amount of the transaction in United States dollars;

(G) fee charged, if any, by the licensee to the sender for the transaction; and

(H) taxes collected, if any, by the licensee from the sender for the transaction.

(3) The receipt required by this section shall be written in English and in the language principally used by the licensee or authorized delegate to advertise, solicit or negotiate, either orally or in writing, for a transaction conducted in person, electronically or by phone, if other than English.

(e) This section shall take effect on and after January 1, 2025.

New Sec. 30. (a) Every licensee or authorized delegate shall include on a receipt or disclose on the licensee's website or mobile application the name of the office of the state bank commissioner and a statement that the licensee's Kansas customers can contact the office of the state bank commissioner with questions or complaints about the licensee's money transmission services.

(b) This section shall take effect on and after January 1, 2025.

New Sec. 31. (a) A licensee that provides payroll processing services shall:

(1) Issue reports to clients detailing client payroll obligations in advance of the payroll funds being deducted from an account; and

(2) make available worker paystubs or an equivalent statement to workers.

(b) This section shall not apply to a licensee providing payroll processing services where the licensee's client designates the intended recipients to the licensee and is responsible for providing the disclosures.

(c) This section shall take effect on and after January 1, 2025.

New Sec. 32. (a) Every licensee shall maintain at all times a tangible net worth of:

(1) The greater of $100,000 or 3% of such licensee's total assets up to $100,000,000;

(2) 2% of such licensee's additional assets of $100,000,000 to $1,000,000,000; and

(3) 0.5% of such licensee's additional assets of over $1,000,000,000.

(b) The licensee's tangible net worth shall be demonstrated at initial application by the applicant's most recent audited or unaudited financial statements pursuant to section 10, and amendments thereto.

(c) Notwithstanding the provisions of this section, the commissioner shall have the authority to exempt any applicant or licensee, in part or in whole, from the requirements of this section.

(d) This section shall take effect on and after January 1, 2025.

New Sec. 33. (a) An applicant for a money transmission license shall provide and a licensee at all times shall maintain security consisting of a surety bond in a form satisfactory to the commissioner or, with the commissioner's approval, a deposit instead of a bond in accordance with this section.

(b) The amount of the required security shall be:

(1) The greater of $200,000 or an amount equal to 100% of the licensee's average daily money transmission liability in Kansas calculated for the most recently completed three-month period, up to a maximum of $1,000,000; or

(2) $200,000, if the licensee's tangible net worth exceeds 10% of total assets.

(c) A licensee that maintains a bond in the maximum amount provided for in subsection (b) shall not be required to calculate its average daily money transmission liability in Kansas for purposes of this section.

(d) A licensee may exceed the maximum required bond amount pursuant to section 35, and amendments thereto.

(e) This section shall take effect on and after January 1, 2025.

New Sec. 34. (a) A licensee shall maintain permissible investments that have a market value computed in accordance with United States generally accepted accounting principles of not less than the aggregate amount of the total of the licensee's outstanding money transmission obligations.

(b) Except for the permissible investments described in section 35, and amendments thereto, the commissioner may by rules and regulations or order limit the extent to which a specific investment maintained by a licensee within a class of permissible investments may be considered a permissible investment, if the specific investment represents undue risk to customers not reflected in the market value of investments.

(c) Permissible investments, even if commingled with other assets of the licensee, shall be held in trust for the benefit of the purchasers and holders of the licensee's outstanding money transmission obligations in the event of insolvency, the filing of a petition by or against the licensee under 11 U.S.C. §§ 101 through 110 for bankruptcy or reorganization, the filing of a petition by or against the licensee for receivership, the commencement of any other judicial or administrative proceeding for such licensee's dissolution or reorganization or in the event of an action by a creditor against the licensee who is not a beneficiary of this statutory trust. No permissible investments impressed with a trust pursuant to this subsection shall be subject to attachment, levy of execution or sequestration by order of any court, except for a beneficiary of this statutory trust.

(d) Upon the establishment of a statutory trust in accordance with subsection (c) or when any funds are drawn on a letter of credit pursuant to section 35, and amendments thereto, the commissioner shall notify the applicable regulator of each state where the licensee is licensed to engage in money transmission, if any, of the establishment of the trust or the funds drawn on the letter of credit, as applicable. Notice shall be deemed satisfied if performed pursuant to a multistate agreement or through the nationwide multistate licensing system and registry. Funds drawn on a letter of credit and any other permissible investments held in trust for the benefit of the purchasers and holders of the licensee's outstanding money transmission obligations shall be deemed held in trust for the benefit of such purchasers and holders on a pro rata and equitable basis in

accordance with statutes pursuant to which permissible investments are required to be held in Kansas and other states, as applicable. Any statutory trust established under this section shall be terminated upon extinguishment of all of the licensee's outstanding money transmission obligations.

(e) The commissioner by rules and regulations or by order may allow other types of investments that the commissioner determines are of sufficient liquidity and quality to be a permissible investment. The commissioner is hereby authorized to participate in efforts with other state regulators to determine which other types of investments are of sufficient liquidity and quality to be a permissible investment.

(f) This section shall take effect on and after January 1, 2025.

New Sec. 35. (a) The following investments are permissible under this section:

(1) Cash, including demand deposits, savings deposits and funds in accounts held for the benefit of the licensee's customers in a federally insured depository financial institution and cash equivalents including automated clearing house items in transit to the licensee and automated clearing house items or international wires in transit to a payee, cash in transit via armored car, cash in smart safes, cash in licensee-owned locations, debit card or credit card-funded transmission receivables owed by any bank or money market mutual funds rated AAA by Standard & Poor or the equivalent from any eligible rating service;

(2) certificates of deposit or senior debt obligations of a federally insured depository institution;

(3) an obligation of the United States or a commission, agency or instrumentality thereof, an obligation that is guaranteed fully as to principal and interest by the United States or an obligation of a state or a governmental subdivision, agency or instrumentality thereof;

(4) (A) the full drawable amount of an irrevocable standby letter of credit for which the stated beneficiary is the commissioner that stipulates that the beneficiary need only draw a sight draft under the letter of credit and present it to obtain funds up to the letter of credit amount within seven days of presentation of the items required by subparagraph (D);

(B) the letter of credit shall:

(i) Be issued by a federally insured depository financial institution, a foreign bank that is authorized under federal law to maintain a federal agency or federal branch office in a state or states or a foreign bank that is authorized under state law to maintain a branch in a state that:

(a) Bears an eligible rating or whose parent company bears an eligible rating; and

(b) is regulated, supervised and examined by United States federal or state authorities having regulatory authority over banks, credit unions and trust companies;

(ii) be irrevocable, unconditional and indicate that such letter of credit is not subject to any condition or qualifications outside of such letter of credit;

(iii) contain no references to any other agreements, documents or entities or otherwise provide for a security interest in the licensee; and

(iv) contain an issue date and expiration date and expressly provide for automatic extension, without a written amendment, for an additional period of one year from the present or each future expiration date unless the issuer of the letter of credit notifies the commissioner in writing by certified or registered mail or courier mail or other receipted means at least 60 days prior to any expiration date, that the irrevocable letter

of credit will not be extended;

(C) if any notice of expiration or non-extension of a letter of credit is issued under clause (a)(4)(B)(iv), the licensee shall be required to demonstrate to the satisfaction of the commissioner, 15 days prior to expiration, that the licensee maintains and shall maintain permissible investments in accordance with section 36(a), and amendments thereto, upon the expiration of the letter of credit. If the licensee is not able to do so, the commissioner may draw on the letter of credit in an amount up to the amount necessary to meet the licensee's requirements to maintain permissible investments in accordance with section 34(a), and amendments thereto. Any such draw shall be offset against the licensee's outstanding money transmission obligations. The drawn funds shall be held in trust by the commissioner or the commissioner's designated agent, to the extent authorized by law, as agent for the benefit of the purchasers and holders of the licensee's outstanding money transmission obligations;

(D) the letter of credit shall provide that the issuer of such letter of credit shall honor, at sight, a presentation made of the following documents by the beneficiary to the issuer on or prior to the expiration date of the letter of credit:

(i) The original letter of credit, including any amendments; and

(ii) a written statement from the beneficiary stating that any of the following events have occurred:

(a) The filing of a bankruptcy or reorganization petition by or against the licensee;

(b) the filing of a petition by or against the licensee for receivership or the commencement of any other judicial or administrative proceeding for such licensee's dissolution or reorganization;

(c) the seizure of assets of a licensee by a commissioner pursuant to an emergency order issued in accordance with applicable law, on the basis of an action, violation or condition that has caused or is likely to cause the insolvency of the licensee; or

(d) the beneficiary has received notice of expiration or non-extension of a letter of credit and the licensee failed to demonstrate to the satisfaction of the beneficiary that the licensee will maintain permissible investments in accordance with section 36(a), and amendments thereto, upon the expiration or non-extension of the letter of credit;

(E) the commissioner may designate an agent to serve on the commissioner's behalf as beneficiary to a letter of credit if the agent and letter of credit meet requirements established by the commissioner. The commissioner's agent may serve as agent for multiple licensing authorities for a single irrevocable letter of credit if the proceeds of the drawable amount for the purposes of subsection (a)(4) are assigned to the commissioner; and

(F) the commissioner is hereby authorized to participate in multistate processes designed to facilitate the issuance and administration of letters of credit, including, but not limited to, services provided by the nationwide multistate licensing system and registry and state regulatory registry, LLC; and

(5) 100% of the surety bond provided for under section 33, and amendments thereto, that exceeds the average daily money transmission liability in Kansas.

(b) (1) Unless permitted by the commissioner by rules and regulations adopted or by order issued to exceed the limit as set forth herein, the following investments are permissible under section 35, and amendments thereto, to the extent specified:

(A) Receivables payable to a licensee from the licensee's authorized delegates in the ordinary course of business that are less than seven days old up to 50% of the

aggregate value of the licensee's total permissible investments; and

(B) of the receivables permissible under subparagraph (A), receivables payable to a licensee from a single authorized delegate in the ordinary course of business may not exceed 10% of the aggregate value of the licensee's total permissible investments.

(2) The following investments are permissible up to 20% per category and up to 50% combined of the aggregate value of the licensee's total permissible investments:

(A) A short-term investment of up to six months, bearing an eligible rating;

(B) commercial paper bearing an eligible rating;

(C) a bill, note, bond or debenture bearing an eligible rating;

(D) United States tri-party repurchase agreements collateralized at 100% or more with United States government or agency securities, municipal bonds or other securities bearing an eligible rating;

(E) money market mutual funds rated less than AAA and equal to or higher than A- by Standard & Poor or the equivalent from any other eligible rating service; and

(F) a mutual fund or other investment fund composed solely and exclusively of one or more permissible investments listed in subsection (a)(1) through (3).

(3) Cash, including demand deposits, savings deposits and funds in such accounts held for the benefit of the licensee's customers, at foreign depository institutions are permissible up to 10% of the aggregate value of the licensee's total permissible investments if the licensee has received a satisfactory rating in the licensee's most recent examination and the foreign depository institution:

(A) Has an eligible rating;

(B) is registered under the foreign account tax compliance act;

(C) is not located in any country subject to sanctions from the office of foreign asset control; and

(D) is not located in a high-risk or non-cooperative jurisdiction as designated by the financial action task force.

(c) This section shall take effect on and after January 1, 2025.

New Sec. 36. (a) The commissioner may, after notice and an opportunity for a hearing conducted in accordance with the Kansas administrative procedure act, K.S.A. 77-501 et seq., and amendments thereto, suspend or revoke a license or order a licensee to revoke the designation of an authorized delegate if:

(1) The licensee violates this act or any rules and regulations adopted or an order issued under this act;

(2) the licensee does not cooperate with an examination or investigation by the commissioner;

(3) the licensee engages in fraud, intentional misrepresentation or gross negligence;

(4) an authorized delegate is convicted of a violation of a state or federal anti-money laundering statute or violates any rules or regulations adopted or an order issued under this act, as a result of the licensee's willful misconduct or willful blindness;

(5) the competence, experience, character or general fitness of the licensee, authorized delegate, person in control of a licensee, key individual or responsible person of the authorized delegate indicates that it is not in the public interest to permit the person to provide money transmission;

(6) the licensee engages in an unsafe or unsound practice as determined by the commissioner pursuant to subsection (b);

(7) the licensee is insolvent, suspends payment of the licensee's obligations or

makes a general assignment for the benefit of the licensee's creditors;

(8) the licensee does not remove an authorized delegate after the commissioner issues and serves upon the licensee a final order that includes a finding that the authorized delegate has violated this act;

(9) a fact or condition exists that, if it had existed when the licensee applied for a license, would have been grounds for denying the application;

(10) the licensee's net worth becomes inadequate and the licensee, after 10 days, fails to take steps to remedy the deficiency;

(11) the licensee demonstrated a pattern of failing to promptly pay obligations;

(12) the licensee applied for adjudication, reorganization or other relief under bankruptcy; or

(13) the licensee lied or made false or misleading statements to any material fact or omitted any material fact.

(b) In determining whether a licensee is engaging in an unsafe or unsound practice, the commissioner may consider the size and condition of the licensee's money transmission, the magnitude of the loss, the gravity of the violation of this act and the previous conduct of the person involved.

(c) This section shall take effect on and after January 1, 2025.

New Sec. 37. (a) The commissioner may issue an order suspending or revoking the designation of an authorized delegate, if the commissioner finds that the:

(1) Authorized delegate violated this act or any rules and regulations adopted or an order issued under this act;

(2) authorized delegate did not cooperate with an examination or investigation by the commissioner;

(3) authorized delegate engaged in fraud, intentional misrepresentation or gross negligence;

(4) authorized delegate is convicted of a violation of a state or federal anti-money laundering statute;

(5) the competence, experience, character or general fitness of the authorized delegate or a person in control of the authorized delegate indicates that it is not in the public interest to permit the authorized delegate to provide money transmission; or

(6) the authorized delegate is engaging in an unsafe or unsound practice as determined by the commissioner pursuant to subsection (b).

(b) In determining whether an authorized delegate is engaging in an unsafe or unsound practice, the commissioner may consider the size and condition of the authorized delegate's provision of money transmission, the magnitude of the loss, the gravity of the violation of this act or any rules and regulations adopted or an order issued under this act and the previous conduct of the authorized delegate.

(c) An authorized delegate may apply for relief from a suspension or revocation of designation as an authorized delegate according to procedures prescribed by the commissioner in rules and regulations.

(d) This section shall take effect on and after January 1, 2025.

New Sec. 38. (a) If the commissioner determines that a violation of this act or of any rules and regulations adopted or an order issued under this act by a licensee, a person required to be licensed or authorized delegate is likely to cause immediate and irreparable harm to the licensee, the licensee's customers or the public as a result of the violation or cause insolvency or significant dissipation of assets of the licensee, the

commissioner may issue an order requiring the licensee or authorized delegate to cease and desist from the violation. The order shall become effective upon service of the order on the licensee or authorized delegate.

(b) The commissioner may issue an order against a licensee to cease and desist from providing money transmission through an authorized delegate that is the subject of a separate order by the commissioner.

(c) An order to cease and desist shall remain effective and enforceable pending the completion of an administrative proceeding pursuant to the Kansas administrative procedure act, K.S.A. 77-501 et seq., and amendments thereto.

(d) An order to cease and desist shall be considered a final order unless the licensee or authorized delegate requests a hearing within 14 days after the cease and desist order is issued.

(e) This section shall take effect on and after January 1, 2025.

New Sec. 39. (a) The commissioner may enter into a consent order at any time with a person to resolve a matter arising under this act or any rules and regulations adopted or order issued under this act. A consent order shall be signed by the person to whom such consent order is issued or by the person's authorized representative and shall indicate agreement with the terms contained in the order. A consent order may provide that such consent order does not constitute an admission by a person that this act or rules and regulations adopted or an order issued under this act has been violated.

(b) This section shall take effect on and after January 1, 2025.

New Sec. 40. (a) Any person that intentionally makes a false statement, misrepresentation or false certification in a record filed or required to be maintained under this act or that intentionally makes a false entry or omits a material entry in such a record is guilty of a severity level 9, nonperson felony.

(b) Any person that knowingly engages in an activity for which a license is required under this act without being licensed under this act and who receives more than $500 in compensation within a 30-day period from this activity is guilty of a severity level 9, nonperson felony.

(c) Any person that knowingly engages in an activity for which a license is required under this act without being licensed under this act and who receives not more than $500 in compensation within a 30-day period from this activity is guilty of a class A nonperson misdemeanor.

(d) This section shall take effect on and after January 1, 2025.

New Sec. 41. (a) As part of any summary order or consent order, the commissioner may:

(1) Assess a fine against any person who violates this act or any rules and regulations adopted hereunder in an amount not to exceed $5,000 per violation. The commissioner may designate any fine collected pursuant to this section be used for consumer education;

(2) assess the agency's operating costs and expenses for investigating and enforcing this act;

(3) require the person to pay restitution for any loss arising from the violation or requiring the person to reimburse any profits arising from the violation;

(4) prohibit the person from future application for licensure pursuant to the act; and

(5) require such affirmative action as determined by the commissioner to carry out the purposes of this act.

(b) (1) The commissioner may enter into an informal agreement at any time with a person to resolve a matter arising under this act, rules and regulations adopted hereunder or an order issued pursuant to this act.

(2) Any informal agreement authorized by this subsection shall be considered confidential examination material. The adoption of an informal agreement authorized by this subsection shall not be:

(A) Subject to the provisions of K.S.A. 77-501 et seq., and amendments thereto, or K.S.A. 77-601 et seq., and amendments thereto;

(B) considered an order or other agency action;

(C) subject to the Kansas open records act, K.S.A. 45-215 et seq., and amendments thereto; or

(D) discovery or be admissible in evidence in any private civil action.

(3) The provisions of this subsection providing for the confidentiality of public records shall expire on July 1, 2030, unless the legislature reviews and reenacts such provisions in accordance with the Kansas open records act, K.S.A. 45-229, and amendments thereto, prior to July 1, 2030.

(c) Through an examination finding, the commissioner may:

(1) Assess a fine against any licensee who violates this act or rules and regulations adopted thereto, in an amount not to exceed $5,000 per violation. The commissioner may designate any fine collected pursuant to this section be used for consumer education; or

(2) require the licensee to pay restitution for any loss arising from the violation or require the person to reimburse any profits arising from the violation.

(d) This section shall take effect on and after January 1, 2025.

New Sec. 42. (a) The provisions of this act are severable. If any portion of the act is declared unconstitutional or invalid, or the application of any portion of the act to any person or circumstance is held unconstitutional or invalid, the invalidity shall not affect other portions of the act that can be given effect without the invalid portion or application, and the applicability of such other portions of the act to any person or circumstance shall remain valid and enforceable.

(b) This section shall take effect on and after January 1, 2025.

New Sec. 43. (a) Sections 43 through 58, and amendments thereto, shall be known and may be cited as the Kansas earned wage access services act.

(b) This act shall not apply to a:

(1) Bank holding company regulated by the federal reserve;

(2) depository institution regulated by a federal banking agency; or

(3) a subsidiary of either paragraph (1) or (2) if such subsidiary directly owns 25% of the bank holding company or depository institution's common stock.

New Sec. 44. As used in sections 43 through 58, and amendments thereto:

(a) "Act" means the Kansas earned wage access services act.

(b) "Commissioner" means the state bank commissioner or the commissioner's designee, who shall be the deputy commissioner of the consumer and mortgage lending division of the office of the state bank commissioner.

(c) "Consumer" means an individual who is a resident of this state. A provider may use the mailing address provided by a consumer to determine such consumer's state of residence for purposes of this act.

(d) "Consumer-directed wage access services" means offering or providing earned

wage access services directly to consumers based on the consumer's representations and the provider's reasonable determination of the consumer's earned but unpaid income.

(e) "Director" means a member of the registrant's or applicant's board of directors.

(f) "Earned but unpaid income" means salary, wages, compensation or other income that a consumer has represented, and that a provider has reasonably determined, to have been earned or to have accrued to the benefit of the consumer in exchange for the consumer's provision of services to an employer or on behalf of an employer, including on an hourly, project-based, piecework or other basis and including where the consumer is acting as an independent contractor of the employer, but, at the time of the payment of proceeds, have not been paid to the consumer by the employer.

(g) "Earned wage access services" means the business of providing consumer-directed wage access services or employer-integrated wage access services, or both.

(h) "Employer-integrated wage access services" means the business of delivering to consumers access to earned but unpaid income that is based on employment, income and attendance data obtained directly or indirectly from an employer.

(i) "Fee" means a fee imposed by a provider for delivery or expedited delivery of proceeds to a consumer or a subscription or membership fee imposed by a provider for a bona fide group of services that include earned wage access services. A voluntary tip, gratuity or donation shall not be deemed a fee.

(j) "Member" means someone who has the right to receive upon dissolution, or has contributed 10% or more of the capital, of a limited liability corporation or a limited liability partnership of the registrant or applicant.

(k) "Nationwide multistate licensing system and registry" or "registry" means a multistate licensing system developed by the conference of state bank supervisors and the American association of residential mortgage regulators and operated by the state regulatory agency, LLC, for the licensing and registration of non-depository financial service entities by participating state agencies or any successor to the nationwide multisystem licensing system and registry.

(l) "Non-mandatory payment" means the following:

(1) A charge imposed by a provider for delivery or expedited delivery of proceeds to a consumer so long as a provider offers the consumer at least one option to receive proceeds at no cost to the consumer;

(2) an amount paid by an obligor to a provider on a consumer's behalf that entitles the consumer to receive proceeds at no cost to the consumer;

(3) a subscription or membership charge imposed by a provider for a group of services that include earned wage access services so long as the provider offers the consumer at least one option to receive proceeds at no cost to the consumer; or

(4) a tip or gratuity paid by a consumer to a provider so long as the provider offers the consumer at least one option to receive proceeds at no cost to the consumer.

(m) "Nonrecourse" means a provider shall not compel or attempt to compel repayment by a consumer of outstanding proceeds or fees owed by such consumer to such provider through any of the following means:

(1) A civil suit against the consumer in a court of competent jurisdiction;

(2) use of a third party to pursue collection of outstanding proceeds or fees on the provider's behalf; or

(3) sale of outstanding amounts to a third-party collector or debt buyer.

(n) "Obligor" means an employer or other person who employs a consumer or any

other person who is contractually obligated to pay a consumer earned but unpaid income in exchange for a consumer's provision of services to the employer or on behalf of the employer, including on an hourly, project-based, piecework or other basis, and including where the consumer is acting as an independent contractor

(o) "Officer" means a person who participates or has authority to participate, other than in the capacity of a director, in major policymaking functions of the registrant or applicant, whether or not the person has an official title. "Officer" includes, but is not limited to, the chief executive officer, chief financial officer, chief operations officer, chief legal officer, chief credit officer, chief compliance officer and every vice president.

(p) "Outstanding proceeds" means proceeds remitted to a consumer by a provider that have not yet been repaid to such provider.

(q) "Owner" means an individual who holds, directly or indirectly, at least 10% or more of a class of voting securities or the power to direct the management or policies of a registrant or an applicant.

(r) "Partner" means a person that has the right to receive upon dissolution, or has contributed, 10% or more of the capital of a partnership of the registrant or applicant.

(s) "Person" means any individual, corporation, partnership, association or other commercial entity.

(t) "Principal" of a registrant means a person that oversees the daily operations of a registrant or applicant and is not an owner or key individual of such registrant or applicant.

(u) "Proceeds" means a payment to a consumer by a provider that is based on earned but unpaid income.

(v) "Provider" means a person who is in the business of offering and providing earned wage access services to consumers.

(w) "Registrant" means a person who is registered with the commissioner as an earned wage access services provider.

New Sec. 45. (a) No person shall engage in or hold such person out as willing to engage in any earned wage access services business with a consumer without registering with the commissioner. Any person required to be registered as an earned wage access services provider shall submit to the commissioner an application for registration on forms prescribed and provided by the commissioner. Such application for registration shall include:

(1) The applicant's name, business address, telephone number and, if any, website address;

(2) the name and address of each owner, officer, director, member, partner or principal of the applicant;

(3) a description of the ownership interest of any officer, director, member, partner, agent or employee of the applicant in any affiliate or subsidiary of the applicant or in any other entity that provides any service to the applicant or any consumer relating to the applicant's earned wage access services business; and

(4) any other information the commissioner may deem necessary to evaluate the financial responsibility, financial condition, character, qualifications and fitness of the applicant.

(b) Each application for registration shall be accompanied by a nonrefundable fee.

(c) The commissioner shall approve an application and shall issue a nontransferable

and nonassignable registration to the applicant when the commissioner:

(1) Receives the complete application and fee required by this section; and

(2) determines the financial responsibility, financial condition, character, qualifications and fitness warrants a belief that the business of the applicant will be conducted competently, honestly, fairly and in accordance with all applicable state and federal laws.

(d) Each earned wage access services registration issued under this section shall expire on December 31 of each year. A registration shall be renewed by filing a complete renewal application with the commissioner at least 30 calendar days prior to the expiration of the registration. Such renewal application shall contain all information the commissioner requires to determine the existence and effect of any material change from the information contained in the applicant's original application, annual reports or prior renewal applications. Each renewal application shall be accompanied by a nonrefundable renewal fee.

(e) If the commissioner fails to issue a registration within 60 calendar days after a filed application is deemed complete by the commissioner, the applicant may make written request for a hearing. Upon receipt of such written request for a hearing, the commissioner shall conduct a hearing in accordance with the Kansas administrative procedure act.

(f) Not later than the first day of the sixth month beginning after the effective date of this act, the commissioner shall prescribe the form and content of an application for registration to provide earned wage access services pursuant to this act.

(g) Notwithstanding the provisions of subsection (a), a person who, as of January 1, 2024, was engaged in the business of providing earned wage access services in this state may, until the commissioner has processed the person's application for registration, continue to engage in the business of providing earned wage access services in this state without registering if the person has submitted an application for registration within three months after the commissioner has prescribed the form and content of an application pursuant to subsection (f) and otherwise complies with this act.

(h) The registration requirements of this act shall not apply to individuals acting as employees or independent contractors of business entities required to register.

New Sec. 46. Each applicant or registrant shall file with the commissioner a surety bond in a form acceptable to the commissioner. Such surety bond shall be issued by a surety or insurance company authorized to conduct business in this state, securing the applicant's or registrant's faithful performance of all duties and obligations of a registrant. The surety bond shall:

(a) Be payable to the office of the state bank commissioner;

(b) provide that the bond may not be terminated without 30 calendar days' prior written notice to the commissioner, that such termination shall not affect the surety's liability for violations of this act occurring prior to the effective date of cancellation, and principal and surety shall be and remain liable for a period of two years from the date of any action or inaction of principal that gives rise to a claim under the bond;

(c) provide that the bond shall not expire for two years after the date of surrender, revocation or expiration of the applicant's or registrant's registration, whichever occurs first;

(d) be available for:

(1) The recovery of expenses, fines and fees levied by the commissioner under this

act; and

(2) payment of losses or damages that are determined by the commissioner to have been incurred by any consumer as a result of the applicant's or registrant's failure to comply with the requirements of this act; and

(e) be in the amount of $100,000.

New Sec. 47. A provider that is registered in the state of Kansas shall be subject to the following requirements:

(a) The registrant shall provide all proceeds on a non-recourse basis and shall treat all fees and non-mandatory payments as non-recourse payment obligations.

(b) The registrant shall develop and implement policies and procedures to respond to questions raised by consumers and address complaints from consumers in an expedient manner.

(c) Before entering into an agreement with a consumer for the provision of earned wage access services, the registrant shall:

(1) Inform the consumer of their rights under the agreement;

(2) fully and clearly disclose all fees associated with the earned wage access services; and

(3) clearly and conspicuously describe how the consumer may obtain proceeds at no cost to such consumer.

(d) A registrant shall inform the consumer of any material changes to the terms and conditions of the earned wage access services before implementing such changes for such consumer.

(e) The registrant shall provide proceeds to a consumer via any means mutually agreed upon by the consumer and registrant.

(f) The registrant shall allow a consumer to cancel the use of the provider's earned wage access services at any time without incurring a cancellation fee or penalty imposed by the provider.

(g) The registrant shall comply with all applicable federal, state and local privacy and information security laws.

(h) If a registrant solicits, charges or receives a tip, gratuity or other donation from a consumer, the registrant shall disclose:

(1) To the consumer immediately prior to each transaction that a tip, gratuity or other donation amount may be zero and is voluntary; and

(2) in its agreement with the consumer and elsewhere that tips, gratuities or other donations are voluntary and that the offering of earned wage access services, including the amount of proceeds a consumer is eligible to request and the frequency with which proceeds are provided to a consumer, is not contingent on whether the consumer pays any tip, gratuity or donation or on the size of any tip, gratuity or other donation.

(i) If a registrant will seek repayment of outstanding proceeds or payment of fees or other amounts owed, including voluntary tips, gratuities or other donations, in connection with earned wage access services from a consumer's depository institution, including by means of electronic funds transfer, the registrant shall do all of the following:

(1) Inform the consumer when the provider will make each attempt to seek repayment of the proceeds from the consumer;

(2) comply with applicable provisions of the federal electronic fund transfer act, 15 U.S.C. § 1693 et seq., and any regulations adopted thereunder; and

(3) reimburse the consumer for the full amount of any overdraft or nonsufficient funds fees imposed on a consumer by the consumer's depository institution that were caused by the provider attempting to seek payment of any outstanding proceeds, fees or other payments in connection with earned wage access services, including voluntary tips, gratuities or other donations, on a date before, or in an incorrect amount from, the date or amount disclosed to the consumer. Notwithstanding the provisions of this paragraph, no provider shall be subject to the requirements of this paragraph with respect to payments of outstanding proceeds or fees incurred by a consumer through fraudulent or other unlawful means.

New Sec. 48. No person required to be registered under this act shall:

(a) Compel or attempt to compel repayment by a consumer of outstanding proceeds or payments owed by such consumer to the registrant through any of the following means:

(1) A civil suit against the consumer in a court of competent jurisdiction;

(2) use of a third party to pursue collection of outstanding proceeds or payments on the provider's behalf;

(3) use of outbound telephone calls to attempt collection; or

(4) sale of outstanding amounts to a third-party debt collector or debt purchaser;

(b) charge a late fee, a deferral fee, interest or any other penalty or charge for failure to repay outstanding proceeds, fees, voluntary tips, gratuitites or other donations;

(c) charge interest or finance charges:

(d) charge an unreasonable fee to provide expedited delivery of proceeds to a consumer;

(e) share with an employer a portion of any fees, voluntary tips, gratuities or other donations that were received from or charged to a consumer for earned wage access services;

(f) condition the amount of proceeds that a consumer is eligible to request or the frequency with which a consumer is eligible to request proceeds on whether such consumer pays fees, voluntary tips, gratuities or other donations or on the size of any fee, voluntary tip, gratuity or other donation that such consumer may make to such registrant in connection with the provision of earned wage access services;

(g) mislead or deceive consumers about the voluntary nature of tips, gratuities or other donations or make representations that tips, gratuities or other donations will benefit any specific individuals if the registrant solicits, charges or receives tips, gratuities or other donations from a consumer;

(h) charge a deferral fee or any other charge in connection with deferring the collection of any outstanding proceeds beyond the original scheduled repayment date;

(i) accept credit of any kind as payment from a consumer of outstanding proceeds or non-mandatory payments;

(j) report a consumer's payment or failed repayment of outstanding proceeds to a consumer credit reporting agency or a debt collector; or

(k) require a credit score to determine a consumer's eligibility for earned wage access services.

New Sec. 49. (a) For purposes of the laws of this state:

(1) Earned wage access services provided by a registrant in accordance with this chapter shall not be considered to be:

(A) A loan or other form of credit or the registrant a creditor or lender with respect

thereto;

(B) in violation of or noncompliant with the laws of this state governing the sale or assignment of, or an order for, earned but unpaid income; or

(C) money transmission or the registrant a money transmitter with respect thereto.

(2) Fees, voluntary tips, gratuities or other donations paid to such a registrant in accordance with this chapter shall not be considered interest or finance charges.

(b) A registrant that provides proceeds to a consumer in accordance with this act shall not be subject to the provisions of the uniform consumer credit code in connection with such registrant's earned wage access services.

(c) If there is a conflict between the provisions of this act and any other state statute, the provisions of this act control.

New Sec. 50. (a) (1) On or before April 1 of each year, each registrant shall file with the commissioner an annual report relating to earned wage access services provided by the registrant in this state during the preceding calendar year. The annual report shall be on a form prescribed by the commissioner.

(2) The information contained in the annual report shall be confidential and shall not be subject to the open records act, K.S.A. 45-215 et seq., and amendments thereto. The commissioner may publish aggregate annual report information for multiple registrants in composite form. The provisions of this paragraph shall expire on July 1, 2029, unless the legislature reviews and acts to continue such provisions pursuant to K.S.A. 45-229, and amendments thereto, prior to July 1, 2029.

(b) Within 15 calendar days of any of the following events, a registrant shall file a written report with the commissioner describing the event and such event's expected impact on the registrant's business:

(1) The filing for bankruptcy or reorganization by the registrant;

(2) the institution of a revocation, suspension or other proceeding against the registrant by a governmental authority that is related to the registrant's earned wage access services business in any state;

(3) the addition or loss of any owner, officer, partner, member, principal or director of the registrant;

(4) a felony conviction of the registrant or any of such registrant's owners, officers, members, principals, directors or partners;

(5) a change in the registrant's name or legal entity status; or

(6) the closing or relocation of the registrant's principal place of business.

(c) If a registrant fails to make any report to the commissioner as required by this section, the commissioner may require the registrant to pay a late penalty of $100 for each day such report is overdue.

New Sec. 51. (a) Each registrant shall maintain and preserve complete and adequate business records, including a general ledger containing all assets, liabilities, capital, income and expense accounts for a period of three years.

(b) Each registrant shall maintain and preserve complete and adequate records of each earned wage access services contract during the term of the contract and for a period of five years from the date on which the registrant last provides proceeds to the consumer.

(c) The registrant shall provide the records to the commissioner within three business days of the commissioner's request or, at the commissioner's discretion, pay reasonable and necessary expenses for the commissioner or commissioner's designee to

examine them at the place where such records are maintained. The registrant may provide such records electronically to the commissioner in a manner prescribed by the commissioner.

New Sec. 52. The commissioner may deny, suspend, revoke or refuse to renew a registration issued pursuant to this act if the commissioner finds, after notice and opportunity for a hearing conducted in accordance with the provisions of the Kansas administrative procedure act, that:

(a) The applicant or registrant has repeatedly or willfully violated any provision of this act, any rules and regulations adopted thereunder or any order lawfully issued by the commissioner pursuant to this act;

(b) the applicant or registrant has failed to file and maintain the surety bond required under this act;

(c) the applicant or registrant is insolvent;

(d) the applicant or registrant has filed with the commissioner any document or statement containing any false representation of a material fact or omitting to state a material fact;

(e) the applicant, registrant or any officer, director, member, owner, partner or principal of the applicant or registrant has been convicted of any crime;

(f) the applicant or registrant fails to keep and maintain sufficient records to permit an audit satisfactorily disclosing to the commissioner the applicant's or registrant's compliance with the provisions of this act and applicable federal law;

(g) the applicant, registrant or an employee of the applicant or registrant has been the subject of any disciplinary action by the commissioner or any other state or federal regulatory agency;

(h) a final judgment has been entered against the applicant or registrant in a civil action and the commissioner finds that the conduct on which the judgment is based indicates that it would be contrary to the public interest to permit such person to be registered;

(i) the applicant or registrant has engaged in any deceptive business practice;

(j) facts or conditions exist that would have justified the denial of the registration or renewal had such facts or conditions existed or been known to exist at the time the application for registration or renewal was made; or

(k) the applicant or registrant has refused to furnish information required by the commissioner within a reasonable period of time as established by the commissioner.

New Sec. 53. (a) The commissioner shall administer the provisions of this act. In addition to other powers granted by this act, the commissioner, within the limitations provided by law, may exercise the following powers:

(1) Adopt, amend and revoke rules and regulations as necessary to carry out the intent and purpose of this act;

(2) make any investigation and examination of the operations, books and records of an earned wage access services provider as the commissioner deems necessary to aid in the enforcement of this act;

(3) have free and reasonable access to the offices, places of business and all records of the registrant that will enable the commissioner to determine whether the registrant is complying with the provisions of this act. The commissioner may designate persons, including comparable officials of the state in which the records are located, to inspect the records on the commissioner's behalf;

(4) establish, charge and collect fees from applicants or registrants for reasonable costs of investigation, examination and administration of this act, in such amounts as the commissioner may determine to be sufficient to meet the budget requirements of the commissioner for each fiscal year. The commissioner may maintain an action in any court to recover such costs;

(5) order any registrant or person to cease any activity or practice that the commissioner deems to be deceptive, dishonest, a violation of this act, or of any other state or federal law, or unduly harmful to the interests of the public;

(6) exchange any information regarding the administration of this act with any agency of the United States or any state that regulates the applicant or registrant or administers statutes, rules and regulations or programs related to earned wage access services laws with any attorney general or district attorney with jurisdiction to enforce criminal violations of this act;

(7) disclose to any person or entity that an applicant's or registrant's application or registration has been denied, suspended, revoked or refused renewal;

(8) require or permit any person to file a written statement, under oath or otherwise as the commissioner may direct, setting forth all the facts and circumstances concerning any apparent violation of this act, any rule and regulation adopted thereunder or any order issued pursuant to this act;

(9) receive, as a condition in settlement of any investigation or examination, a payment designated for consumer education to be expended for such purpose as directed by the commissioner;

(10) delegate the authority to sign any orders, official documents or papers issued under or related to this act to the deputy of consumer and mortgage lending division of the office of the state bank commissioner;

(11) (A) require fingerprinting of any officer, partner, member, owner, principal or director of an applicant or registrant. Such fingerprints may be submitted to the Kansas bureau of investigation and the federal bureau of investigation for a state and national criminal history record check to be submitted to the office of the state bank commissioner. The fingerprints shall be used to identify the person and to determine whether the person has a record of arrests and convictions in this state or other jurisdictions. The office of the state bank commissioner may use information obtained from fingerprinting and the criminal history for purposes of verifying the identification of the person and in the official determination of the qualifications and fitness of the persons associated with the applicant. Whenever the office of the state bank commissioner requires fingerprinting, any associated costs shall be paid by the applicant or the parties to the application.

(B) The Kansas bureau of investigation shall release all records of adult convictions, adjudications, and juvenile adjudications in Kansas and of another state or country to the office of the state bank commissioner. The office of the state bank commissioner shall not disclose or use a state and national criminal history record check for any purpose except as provided for in this section. Unauthorized use of a state or national criminal history record check shall constitute a class A nonperson misdemeanor.

(C) Each state and national criminal history record check shall be confidential, not subject to the open records act, K.S.A. 45-215 et seq., and amendments thereto, and not be disclosed to any applicant or registrant. The provisions of this subparagraph shall

expire on July 1, 2029, unless the legislature reviews and acts to continue such provisions pursuant to K.S.A. 45-229, and amendments thereto, prior to July 1, 2029;

(12) issue, amend and revoke written administrative guidance documents in accordance with the applicable provisions of the Kansas rules and regulations filing act;

(13) enter into any informal agreement with any person for a plan of action to address violations of this act; and

(14) require use of a nationwide multi-state licensing system and registry for processing applications, renewals, amendments, surrenders and any other activity that the commissioner deems appropriate. The commissioner may establish relationships or contracts with the nationwide multi-state licensing system and registry or other entities to collect and maintain records and process transaction fees or other fees related to applicants and licensees, as may be reasonably necessary to participate in the nationwide multi-state licensing system and registry. The commissioner may report violations of the law, as well as enforcement actions and other relevant information to the nationwide multi-state licensing system and registry. The commissioner may require any applicant or licensee to file reports with the nationwide multi-state licensing system and registry in the form prescribed by the commissioner.

(b) Examination reports and correspondence regarding such reports made by the commissioner or the commissioner's designees shall be confidential and shall not be subject to the provisions of the open records act, K.S.A. 45-215 et seq., and amendments thereto. The commissioner may release examination reports and correspondence regarding the reports in connection with a disciplinary proceeding conducted by the commissioner, a liquidation proceeding or a criminal investigation or proceeding. Additionally, the commissioner may furnish to federal or other state regulatory agencies or any officer or examiner thereof, a copy of any or all examination reports and correspondence regarding the reports made by the commissioner or the commissioner's designees. The provisions of this subsection shall expire on July 1, 2029, unless the legislature reviews and acts to continue such provisions pursuant to K.S.A. 45-229, and amendments thereto, prior to July 1, 2029.

(c) For the purpose of any examination, investigation or proceeding under this act, the commissioner or the commissioner's designee may administer oaths and affirmations, subpoena witnesses, compel such witnesses' attendance, introduce evidence and require the production of any matter that is relevant to the examination or investigation, including the existence, description, nature, custody, condition and location of any books, documents or other tangible things and the identity and location of persons having knowledge of relevant facts or any other matter reasonably calculated to lead to the discovery of relevant information or items.

(d) The adoption of an informal agreement authorized by this section shall not be subject to the provisions of the Kansas administrative procedure act or the Kansas judicial review act. Any informal agreement authorized by this subsection shall not be considered an order or other agency action and shall be considered confidential examination material. All such examination material shall be confidential by law and privileged, shall not be subject to the provisions of the open records act, K.S.A. 45-215 et seq., and amendments thereto, shall not be subject to subpoena and shall not be subject to discovery or admissible in evidence in any private civil action. The provisions of this subsection shall expire on July 1, 2029, unless the legislature reviews and acts to continue such provisions pursuant to K.S.A. 45-229, and amendments thereto, prior to

July 1, 2029.

New Sec. 54. (a) If the commissioner determines after notice and opportunity for a hearing pursuant to the Kansas administrative procedure act that any person has engaged, is engaging or is about to engage in any act or practice constituting a violation of any provision of this act, any rules and regulations adopted or order issued thereunder, the commissioner may issue an order requiring any or all of the following:

(1) That the person cease and desist from the unlawful act or practice;

(2) that the person pay a fine not to exceed $5,000 per incident for the unlawful act or practice;

(3) if any person is found to have violated any provision of this act and such violation is committed against elder or disabled persons as defined in K.S.A. 50-676, and amendments thereto, the commissioner may impose an additional penalty not to exceed $5,000 for each such violation, in addition to any civil penalty otherwise provided by law;

(4) that the person to pay restitution for any loss arising from the violation or requiring the person to disgorge any profits arising from the violation. Such order may include the assessment of interest not to exceed 8% per annum from the date of the violation;

(5) that the person take such action as in the judgment of the commissioner will carry out the purposes of this act; or

(6) that the person be barred from subsequently applying for registration under this act.

(b) (1) If the commissioner makes written findings of fact that the public interest will be irreparably harmed by delay in issuing an order under subsection (a), the commissioner may issue an emergency cease and desist order.

(2) Such emergency order, even if not an order within the meaning of K.S.A. 77-502, and amendments thereto, shall be subject to the same procedures as an emergency order issued under K.S.A. 77-536, and amendments thereto.

(3) Upon the entry of such an emergency order, the commissioner shall promptly notify the person subject to the order that such order has been entered, the reasons for such order and that a hearing will be held upon written request by such person.

(4) If such person requests a hearing or, in the absence of any request, if the commissioner determines that a hearing should be held, the matter shall be set for a hearing that shall be conducted in accordance with the provisions of the Kansas administrative procedure act. Upon completion of the hearing the commissioner shall, by written findings of fact and conclusions of law, vacate, modify or make permanent the emergency order.

(5) If no hearing is requested and none is ordered by the commissioner, the emergency order shall remain in effect until such order is modified or vacated by the commissioner.

(6) Fines and penalties collected pursuant to paragraphs (2) and (3) shall be designated for use by the commissioner for consumer education.

New Sec. 55. (a) In case of failure or refusal to obey a subpoena issued to any person, any court of competent jurisdiction, upon application by the commissioner, may issue an order requiring such person to appear before the commissioner, or the commissioner's designee, to produce documentary evidence if so ordered or to give evidence relating to the matter under investigation or in question. Any failure to obey

the order of the court may be punished by the court as contempt of court.

(b) No person shall be excused from attending, testifying or producing any document or record before the commissioner or in obedience to the subpoena of the commissioner or the commissioner's designee, or in any proceeding instituted by the commissioner, on the ground that such testimony or evidence, documentary or otherwise, required of the person may tend to incriminate the person or subject the person to a penalty or forfeiture. No individual may be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter or thing concerning which such person is compelled, after claiming privilege against self-incrimination, to testify or produce evidence, documentary or otherwise, except that the individual so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying.

New Sec. 56. It is unlawful for any person to violate the provisions of this act, any rules and regulations adopted or any order issued under this act. A conviction for an intentional violation is a class A nonperson misdemeanor. A second or subsequent conviction of this section is a severity level 7, nonperson felony. No person may be imprisoned for the violation of this section if such person proves that such person had no knowledge of the act, rules and regulations or order.

New Sec. 57. The commissioner, attorney general or a county or district attorney may bring an action in a district court to enjoin any violation of this act or any rules and regulations adopted thereunder.

New Sec. 58. All fees collected by the commissioner pursuant to this act shall be subject to the provisions of K.S.A. 75-1308, and amendments thereto.";

On page 2, following line 16, by inserting:

"Sec. 61. K.S.A. 9-1204 is hereby amended to read as follows: 9-1204. (a) Any ~~bank may receive deposits from minors or in the name of minors and pay the same upon the order of such minors whether or not such minors are emancipated. Payments so made shall discharge the bank from any further liability on the account~~ person, regardless of age, may become a depositor in any bank and shall be subject to the same duties and liabilities respecting such person's deposits. Whenever a deposit is accepted by any bank in the name of any person, regardless of age, the deposit may be withdrawn by the depositor by any of the following methods:

(1) Check or other instrument in writing. The check or other instrument in writing constitutes a receipt or acquittance if the check or other instrument in writing is signed by the depositor and constitutes a valid release and discharge to the bank for all payments made; or

(2) electronic means through:

(A) Preauthorized direct withdrawal;

(B) an automatic teller machine;

(C) a debit card;

(D) a transfer by telephone;

(E) a network, including the internet; or

(F) any electronic terminal, computer, magnetic tape or other electronic means.

(b) Any bank that accepts deposits from minors 16 years of age or older in the custody of the secretary for children and families, a federally recognized Indian tribe in this state or the secretary of corrections shall not require a cosigner or the funds to be deposited with the consent of the custodian. Such minor shall be responsible for

banking costs or penalties associated with such deposits. The secretary, or their designee, or any foster or biological parent shall not be responsible for banking costs or penalties associated with such deposits.

(c) Any person, regardless of age, individually or with others may enter into an agreement with a bank for the lease of a safe deposit box and shall be bound by the terms of such agreement.

(d) This section shall not be construed to affect the rights, liabilities or responsibilities of participants in an electronic fund transfer under the federal electronic fund transfer act, 15 U.S.C. § 1693 et seq., as in effect on July 1, 2024, and shall not affect the legal relationship between a minor and any person other than the bank.";

On page 6, in line 33, after the second comma by inserting "9-1204,"; following line 33, by inserting:

"Sec. 65. On and after January 1, 2025, K.S.A. 9-508, 9-509, 9-510, 9-510a, 9-511, 9-513, 9-513a, 9-513b, 9-513c, 9-513d and 9-513e and K.S.A. 2023 Supp. 9-512 are hereby repealed.";

Also on page 6, in line 35, by striking "Kansas register" and inserting "statute book";

And by renumbering sections accordingly;

On page 1, in the title, in line 1, after "to" by inserting "entities regulated by the office of the state bank commissioner; pertaining to"; in line 4, after the semicolon by inserting "relating to bank deposits, withdrawals and safe deposit box lease agreements; authorizing any person to become a depositor or enter into an agreement for the lease of a safe deposit box; providing methods in which bank deposits may be withdrawn by a depositor; prohibiting banks from requiring a cosigner for an account of a child in the custody of the secretary for children and families, the secretary of corrections or a federally recognized Indian tribe; enacting the Kansas money transmission act; providing oversight thereof by the commissioner; establishing powers, duties and responsibilities of the commissioner; enacting the Kansas earned wage access services act; establishing the administration of such act by the office of the state bank commissioner; providing for registration, bond requirements; duties, prohibited acts, reports, records retention, orders, civil fines, criminal penalties and fees;"; also in line 4, after the second comma by inserting "9-1204,"; in line 5, after "sections" by inserting "; also repealing K.S.A. 9-508, 9-509, 9-510, 9-510a, 9-511, 9-513, 9-513a, 9-513b, 9-513c, 9-513d and 9-513e and K.S.A. 2023 Supp. 9-512";

And your committee on conference recommends the adoption of this report.

JEFF LONGBINE
MICHAEL FAGG
JEFF PITTMAN
Conferees on part of Senate

NICK HOHEISEL
WILLIAM CLIFFORD
RUI XU
Conferees on part of House

Senator Longbine moved the Senate adopt the Conference Committee Report on **HB 2560**.

On roll call, the vote was: Yeas 34; Nays 5; Present and Passing 0; Absent or Not

Voting 1.

Yeas: Alley, Baumgardner, Billinger, Blasi, Bowers, Claeys, Corson, Dietrich, Doll, Erickson, Fagg, Faust-Goudeau, Francisco, Gossage, Haley, Holscher, Kerschen, Kloos, Longbine, Masterson, McGinn, O'Shea, Olson, Peck, Petersen, Pettey, Pittman, Reddi, Shallenburger, Sykes, Thompson, Ware, Warren, Wilborn.

Nays: Holland, Pyle, Steffen, Straub, Tyson.

Absent or Not Voting: Ryckman.

The Conference Committee Report was adopted.

CONFERENCE COMMITTEE REPORT

MR. SPEAKER and MR. PRESIDENT: Your committee on conference on Senate amendments to **HB 2562** submits the following report:

The House accedes to all Senate amendments to the bill, and your committee on conference further agrees to amend the bill as printed with Senate Committee amendments, as follows:

On page 4, following line 30, by inserting:

"New Sec. 10. (a) Sections 10 through 13, and amendments thereto, shall be known and may be cited as the Kansas contract for deed act.

(b) As used in sections 10 through 13, and amendments thereto:

(1) "Buyer" means a person who purchases property subject to a contract for deed or any legal successor in interest to the buyer.

(2) "Contract for deed" means an executory agreement in which the seller agrees to convey title to real property to the buyer and the buyer agrees to pay the purchase price in five or more subsequent payments exclusive of the down payment, if any, while the seller retains title to the property as security for the buyer's obligation. Option contracts for the purchase of real property are not contracts for deed.

(3) "Property" means real property located in this state upon which there is located or will be located a structure designed principally for occupancy of one to four families that is or will be occupied by the buyer as the buyer's principal place of residence.

(4) "Seller" means any person who makes a sale of property by means of a contract for deed or any legal successor in interest to the seller.

New Sec. 11. (a) Any contract for deed or affidavit of equitable interest may be recorded in the office of the county register of deeds where the property is located by any interested person.

(b) Following the notice and opportunity to cure provided for in section 13(c), and amendments thereto, the buyer shall have 15 days to:

(1) Record a record of release of affidavit of equitable interest or contract for deed, if such affidavit or contract were recorded; and

(2) vacate the premises, if applicable.

(c) If the buyer fails to satisfy the conditions under subsection (b), then such buyer shall be responsible for the seller's reasonable attorney fees, costs and expenses for the removal of the affidavit of equitable interest or contract for deed from the title and eviction of the buyer from the premises, if applicable.

New Sec. 12. (a) A seller shall not execute a contract for deed with a buyer if the seller does not hold title to the property. Except as provided further, a seller shall maintain fee simple title to the property free from any mortgage, lien or other encumbrance for the duration of the contract for deed. This subsection shall not apply to

a mortgage, lien or encumbrance placed on the property:

(1) Due to the conduct of the buyer;

(2) with the agreement of the buyer as a condition of a loan obtained to make improvements on the property; or

(3) by the seller prior to the execution of the contract for deed if:

(A) The seller disclosed the mortgage, lien or encumbrance to the buyer;

(B) the seller continues to make timely payments on the outstanding mortgage, lien or other encumbrance;

(C) the seller disclosed the contract for deed to the mortgagee, lienholder or other party of interest; and

(D) the seller satisfies and obtains a release of the mortgage, lien or other encumbrance not later than the date the buyer makes final payment on the contract for deed unless the buyer assumes the mortgage, lien or other encumbrance as part of the contract for deed.

(b) Any violation of this section is a deceptive act or practice under the provisions of the Kansas consumer protection act and shall be subject to any and all of the enforcement provisions of the Kansas consumer protection act.

New Sec. 13. (a) A buyer's rights under a contract for deed shall not be forfeited or canceled except as provided in this section, notwithstanding any provision in the contract providing for forfeiture of buyer's rights. Nothing in this section shall be construed to limit the power of the district court to require proceedings in equitable foreclosure.

(b) The buyer's rights under a contract for deed shall not be forfeited until the buyer has been notified of the intent to forfeit as provided in subsection (c) and has been given a right to cure the default, and such buyer has failed to do so within the time period allowed. A timely tender of cure shall reinstate the contract for deed.

(c) A notice of default and intent to forfeit shall:

(1) Reasonably identify the contract and describe the property covered by it;

(2) specify the terms and conditions of the contract with which the buyer has not complied; and

(3) notify the buyer that the contract will be forfeited unless the buyer performs the terms and conditions within the following periods of time:

(A) If the buyer has paid less than 50% of the purchase price, 30 days from completed service of notice; or

(B) if the buyer has paid 50% or more of the purchase price, 90 days from completed service of notice.

(d) A notice of default and intent to forfeit shall be served on the buyer in person, or by leaving a copy at the buyer's usual place of residence with someone of suitable age and discretion who resides at such place of residence, or by certified mail or priority mail, return receipt requested, addressed to the buyer at the buyer's usual place of residence.

(e) Nothing in this section shall be construed to preclude the buyer or the seller from pursuing any other remedy at law or equity.

New Sec. 14. (a) Any restrictive covenant recitals on real property contained in any deed, plat, declaration, restriction, covenant or other conveyance filed at any time in the office of the register of deeds in any county in violation of K.S.A. 44-1016 or 44-1017, and amendments thereto, shall be void and unenforceable.

(b) A restrictive covenant that violates K.S.A. 44-1016 or 44-1017, and amendments thereto, may be released by the owner of the real property subject to such covenant by recording a certificate of release of prohibited covenants. Such certificate may be recorded prior to recording of a document conveying any interest in such real property or at such other time as the owner discovers that such prohibited covenant exists. Any certificate recorded with the register of deeds shall be subject to recording fees pursuant to K.S.A. 28-115, and amendments thereto. A certificate of release of prohibited covenants shall contain:

(1) The name of the current owner of the real property;

(2) a legal description of the real property;

(3) the volume and page or the document number in which the original document containing the restrictive covenant is recorded;

(4) a brief description of the restrictive covenant; and

(5) the citation to the location of the restrictive covenant in the original document.";

On page 9, following line 18, by inserting:

"Sec. 16. K.S.A. 44-1017a is hereby amended to read as follows: 44-1017a. (a) No declaration or other governing document of an association shall include a restrictive covenant in violation of K.S.A. 44-1016 and 44-1017, and amendments thereto.

(b) Within 60 days of the effective date of this act, the board of directors of an association shall amend any declaration or other governing document that includes a restrictive covenant in violation of K.S.A. 44-1016 and 44-1017, and amendments thereto, by removing such restrictive covenant. Such amendment shall not require the approval of the members of the association. No other change shall be required to be made to the declaration or other governing document of the association pursuant to this section. Within 10 days of the adoption of the amendment, the amended declaration or other governing document shall be recorded in the same manner as the original declaration or other governing document and shall be subject to recording fees pursuant to K.S.A. 28-115, and amendments thereto. ~~No fee shall be charged for such recording.~~

(c) If the commission, a city or county ~~in which~~ where the association is located provides written notice to an association requesting that the association delete a restrictive covenant in violation of K.S.A. 44-1016 and 44-1017, and amendments thereto, the association shall delete the restrictive covenant within 30 days of receiving the notice. If the association fails to delete the restrictive covenant in violation of K.S.A. 44-1016 and 44-1017, and amendments thereto, the commission, a city or county ~~in which~~ where the association is located, or any person adversely affected by such restrictive covenant may bring an action against the homeowners association for injunctive relief to enforce the provisions of subsections (a) and (b) ~~of this section~~. The court may award attorney's fees to the prevailing party.

(d) If a city or county determines that the association is no longer active such that the written notice described in subsection (c) cannot be provided to the association, then the city or county, upon adoption of a resolution by the governing body of such city or county, may remove such restrictive covenant that is in violation of K.S.A. 44-1016 or 44-1017, and amendments thereto, by recording a certificate of release of prohibited covenants in accordance with section 14, and amendments thereto. A resolution may authorize the removal of more than one restrictive covenant that is in violation of K.S.A. 44-1016 or 44-1017, and amendments thereto. No signature or other consent of any property owner affected by such recording shall be required to record any

certificate of release of prohibited covenants pursuant to this subsection. Any such certificate recorded pursuant to this subsection shall not affect the validity of any property interest recorded within the original or redacted plat. No city or county shall incur any liability arising from the recording of any certificate of release of prohibited covenants pursuant to this subsection. No fee shall be charged for any recording filed pursuant to this subsection. Any such recording shall be exempt from the survey requirements of K.S.A. 58-2001 et seq., and amendments thereto.

(e) For the purposes of this section:

(1) "Association" means a non-profit homeowners association as defined in K.S.A. 60-3611, and amendments thereto.

(2) "Commission" means the Kansas human rights commission as defined in K.S.A. 44-1002, and amendments thereto.

~~(e)~~(f) This section shall be a part of and supplemental to ~~and a part of~~ the Kansas act against discrimination.

Sec. 17. K.S.A. 58-3065 is hereby amended to read as follows: 58-3065. (a) Willful violation of any provision of this act or the brokerage relationships in real estate transactions act is a misdemeanor punishable by imprisonment for not more than 12 months or a fine of not less than $100 or more than $1,000, or both, for the first offense and imprisonment for not more than 12 months or a fine of not less than $1,000 or more than $10,000, or both, for a second or subsequent offense.

(b) Nothing in this act or the brokerage relationships in real estate transactions act shall be construed as requiring the commission or the director to report minor violations of the acts for criminal prosecution whenever the commission or the director believes that the public interest will be adequately served by other administrative action.

(c) If the commission determines that a person or associated association, corporation, limited liability company, limited liability partnership, partnership, professional corporation or trust has practiced without a valid broker's or salesperson's license issued by the commission, in addition to any other penalties imposed by law, the commission, in accordance with the Kansas administrative procedure act, may issue a cease and desist order against the unlicensed person.";

Also on page 9, in line 19, by striking "is" and inserting ", 44-1017a and 58-3065 are"; in line 21, by striking "Kansas register" and inserting "statute book";

And by renumbering sections accordingly;

On page 1, in the title, in line 1, by striking "securities" and inserting "consumer protection; relating to financial exploitation, real estate transactions and housing discrimination"; in line 4, after the semicolon by inserting "authorizing the Kansas real estate commission to issue cease and desist orders; regulating contract for deed transactions; providing for certain penalties related thereto; making certain deceptive actions violations of the consumer protection act; prohibiting the recording of unlawful restrictive covenants; authorizing the removal of unlawful restrictive covenants;"; in line 5, after "17-12a412" by inserting ", 44-1017a and 58-3065"; also in line 5, by striking "section" and inserting "sections";

And your committee on conference recommends the adoption of this report.

JEFF LONGBINE

MICHAEL FAGG
JEFF PITTMAN
Conferees on part of Senate

NICK HOHEISEL
WILLIAM CLIFFORD
RUI XU
Conferees on part of House

Senator Longbine moved the Senate adopt the Conference Committee Report on **HB 2562**.

On roll call, the vote was: Yeas 38; Nays 1; Present and Passing 0; Absent or Not Voting 1.

Yeas: Alley, Baumgardner, Billinger, Blasi, Bowers, Claeys, Corson, Dietrich, Doll, Erickson, Fagg, Faust-Goudeau, Francisco, Gossage, Haley, Holland, Holscher, Kerschen, Kloos, Longbine, Masterson, McGinn, O'Shea, Peck, Petersen, Pettey, Pittman, Pyle, Reddi, Shallenburger, Steffen, Straub, Sykes, Thompson, Tyson, Ware, Warren, Wilborn.

Nays: Olson.

Absent or Not Voting: Ryckman.

The Conference Committee Report was adopted.

CONFERENCE COMMITTEE REPORT

MR. SPEAKER and MR. PRESIDENT: Your committee on conference on Senate amendments to **HB 2570** submits the following report:

The House accedes to all Senate amendments to the bill, and your committee on conference further agrees to amend the bill as printed with Senate Committee amendments, as follows:

On page 64, in line 8, by striking all before "for" and inserting "subsection (a)(4)(C)(ii)";

On page 67, in line 26, by striking "1.00%" and inserting "2.00%";

On page 73, in line 16, by striking "0.18%" and inserting "0.26%"; also in line 16, by striking "0.16%" and inserting "0.23%"; also in line 16, by striking "0.14%" and inserting "0.20%";

On page 74, in line 30, by striking "2.32%" and inserting "2.31%";

On page 75, in line 6, by striking "6.76%" and inserting "6.79%";

On page 104, by striking all in lines 39 through 43;

On page 105, by striking all in lines 1 through 3; following line 3, by inserting:

"(H) if workshare was requested by the employer; and

(I) if workshare was approved for the employer.

(5) Commencing in 2028 and each year thereafter, the annual certification memorandum shall also include the total number, if any, of:

(A) Temporary unemployment weeks requested by the employer;

(B) temporary unemployment weeks approved for the employer;

(C) the claimants who requested temporary unemployment against the employer's account independently from any request for temporary unemployment by the employer; and

(D) the temporary unemployment weeks charged against the employer's account

that were claimed independently from any request for temporary unemployment by the employer.";

Also on page 105, in line 4, by striking "(c)" and inserting "(d)"; in line 32, after "thereto" by inserting ", if permitted by subparagraph (C)"; in line 37, by striking "as provided" and inserting "if permitted"; in line 43, by striking "as provided" and inserting "if permitted";

On page 106, in line 8, by striking "The total amount of"; in line 9, after "benefits" by inserting "of eight weeks"; also in line 9, by striking "shall be limited to eight weeks" and inserting "may be granted by the secretary"; in line 17, by striking "pursuant to this subparagraph";

On page 1, in the title, in line 14, after the semicolon by inserting "replacing and"; in line 15, after the semicolon by inserting "lowering the contribution rate for new employers and new employers engaged in the construction industry;"; in line 28, by striking all after "unemployment"; in line 29, by striking all before "when"; in line 31, by striking "annually"; also in line 31, by striking "additional"; in line 32, by striking "and to" and inserting a comma; in line 33, after "memorandum" by inserting "and publish contribution rate information and schedules"; in line 36, by striking "one-time" and inserting "calculated";

On page 2, also in the title, in line 1, by striking the second "employers" and inserting "employer's"; in line 2, by striking all after "balance"; by striking all in line 3; in line 4, by striking the first "secretary";

And your committee on conference recommends the adoption of this report.

RENEE ERICKSON
BRENDA DIETRICH
USHA REDDI
Conferees on part of Senate

SEAN TARWATER
JESSE BORJON
JASON PROBST
Conferees on part of House

Senator Erickson moved the Senate adopt the Conference Committee Report on **Sub HB 2570**.

On roll call, the vote was: Yeas 38; Nays 1; Present and Passing 0; Absent or Not Voting 1.

Yeas: Alley, Baumgardner, Billinger, Blasi, Bowers, Claeys, Corson, Dietrich, Doll, Erickson, Fagg, Faust-Goudeau, Francisco, Gossage, Haley, Holland, Holscher, Kerschen, Kloos, Longbine, Masterson, McGinn, O'Shea, Peck, Petersen, Pettey, Pittman, Pyle, Reddi, Shallenburger, Steffen, Straub, Sykes, Thompson, Tyson, Ware, Warren, Wilborn.

Nays: Olson.

Absent or Not Voting: Ryckman.

The Conference Committee Report was adopted.

CONFERENCE COMMITTEE REPORT

MR. SPEAKER and MR. PRESIDENT: Your committee on conference on Senate amendments to **HB 2614** submits the following report:

The House accedes to all Senate amendments to the bill, and your committee on conference further agrees to amend the bill as printed with Senate Committee of the Whole amendments, as follows:

On page 1, by striking all in lines 8 through 35;

By striking all on pages 2 through 5;

On page 6, by striking all in lines 1 through 15; following line 15, by inserting:

"Section 1. K.S.A. 25-1121 is hereby amended to read as follows: 25-1121. (a) The secretary of state shall prescribe the general forms of advance voting ballots to be used in all primary and general elections and the form of the printed instructions to voters containing a statement of all the requirements of this act, to enable voters to comply with the requirements of this act. The prescribed forms shall be transmitted to the county election officers 35 days before each primary and general election.

(b) The secretary of state shall prescribe the general format of advance voting ballot envelopes. The envelopes shall include:

(1) A signature ~~blocks~~ block for the advance voter;

(2) a signature block for the person, if any, assisting the advance voter~~; and a signature block for a person, if any, who signs the advance voting ballot envelope on behalf of the advance voter in situations when the advance voter is physically unable to sign the envelope~~ if the voter is physically unable to sign the envelope;

(3) a signature block for the person, if any, who is authorized by the voter to deliver the advance voting ballot to the county election office;

(4) a designated block for the person described in paragraph (3) to print such person's full name; and

(5) the following statement: "K.S.A. 25-2437 prohibits the transmission or delivery of more than 10 advance voting ballots by any one person."

(c) The advance ballot envelope shall contain the following statement after the signature block provided for the person who signs the advance ballot envelope on behalf of a person physically unable to sign such envelope:

"My signature constitutes an affidavit that the person for whom I signed the envelope is a person who is physically unable to sign such envelope. By signing this envelope, I swear this information is true and correct, and that signing an advance ballot envelope under false pretenses shall constitute the crime of perjury."

Sec. 2. K.S.A. 25-1128 is hereby amended to read as follows: 25-1128. (a) No voter shall knowingly mark or transmit to the county election officer more than one advance voting ballot, or set of one of each kind of ballot, if the voter is entitled to vote more than one such ballot at a particular election.

(b) Except as provided in K.S.A. 25-1124, and amendments thereto, no person shall knowingly interfere with or delay the transmission of any advance voting ballot application from a voter to the county election officer, nor shall any person mail, fax or otherwise cause the application to be sent to a place other than the county election office. Any person or group engaged in the distribution of advance voting ballot applications shall mail, fax or otherwise deliver any application signed by a voter to the county election office within two days after such application is signed by the applicant.

(c) Except as otherwise provided by law, no person other than the voter, shall knowingly mark, sign or transmit to the county election officer any advance voting

ballot or advance voting ballot envelope.

(d) Except as otherwise provided by law, no person shall knowingly sign an application for an advance voting ballot for another person. This provision shall not apply if a voter has a disability preventing the voter from signing an application or if an immediate family member signs an application on behalf of another immediate family member with proper authorization being given.

(e) No person, unless authorized by K.S.A. 25-1122 or 25-1124, and amendments thereto, shall knowingly intercept, interfere with, or delay the transmission of advance voting ballots from the county election officer to the voter.

(f) No person shall knowingly and falsely affirm, declare or subscribe to any material fact in an affirmation form for an advance voting ballot or set of advance voting ballots.

(g) (1) A voter may return such voter's advance voting ballot to the county election officer by personal delivery or by mail. Subject to the provisions of K.S.A. 25-2437, and amendments thereto, a person other than the voter may return the advance voting ballot by personal delivery or mail if authorized by the voter in writing as provided in K.S.A. 25-2437, and amendments thereto, except that a written designation shall not be required from a voter who has a disability preventing the voter from writing or signing a written designation. Any such person designated by the voter shall sign a statement in accordance with K.S.A. 25-2437, and amendments thereto.

(2) Each county election officer shall record the name of each individual who delivers an advance voting ballot on behalf of another voter and maintain a record of the number of such ballots returned by such individual to the county election office. If any such individual returns more than 10 advance voting ballots for an election, the county election officer shall file a complaint with the secretary of state and the county or district attorney for such county alleging a violation of K.S.A. 25-2437, and amendments thereto.

(h) Except as otherwise provided by federal law, no person shall knowingly backdate or otherwise alter a postmark or other official indication of the date of mailing of an advance voting ballot returned to the county election officer by mail for the purpose of indicating a date of mailing other than the actual date of mailing by the voter or the voter's designee.

(i) Violation of any provision of this section is a severity level 9, nonperson felony.

Sec. 3. K.S.A. 25-2407 is hereby amended to read as follows: 25-2407. Corrupt political advertising is:

(a) (1) Publishing or causing to be published in a newspaper or other periodical any paid matter ~~which~~ that expressly advocates the nomination, election or defeat of any candidate, unless such matter is followed by the word "advertisement" or the abbreviation "adv." in a separate line together with the name of the chairman of the political or other organization inserting the same or the name of the person who is responsible therefor; or

(2) broadcasting or causing to be broadcast by any radio or television station any paid matter ~~which~~ that expressly advocates the nomination, election or defeat of any candidate, unless such matter is followed by a statement ~~which~~ that states: "Paid for" or "Sponsored by" followed by the name of the sponsoring organization and the name of the chairperson ~~or treasurer~~ of the political or other organization sponsoring the same or the name of the person who is responsible therefor; or

(3) publishing or causing to be published in a newspaper or other periodical any paid matter ~~which~~ that is intended to influence the vote of any person or persons for or against any question submitted for a proposition to amend the constitution or to authorize the issuance of bonds or any other question submitted at an election, unless such matter is followed by the word "advertisement" or the abbreviation "adv." in a separate line together with the name of the chairman of the political or other organization inserting the same or the name of the person who is responsible therefor;

(4) broadcasting or causing to be broadcast by any radio or television station any paid matter ~~which~~ that is intended to influence the vote of any person or persons for or against any question submitted for a proposition to amend the constitution or to authorize the issuance of bonds or any other question submitted at an election, unless such matter is followed by a statement which states: "Paid for" or "Sponsored by" followed by the name of the sponsoring organization and the name of the chairperson ~~or treasurer~~ of the political or other organization sponsoring the same or the name of the person who is responsible therefor; or

(5) publishing or causing to be published any brochure, flier or other political fact sheet ~~which~~ that is intended to influence the vote of any person or persons for or against any question submitted for a proposition to amend the constitution or to authorize the issuance of bonds or any other question submitted at an election, unless such matter is followed by a statement which states: "Paid for" or "Sponsored by" followed by the name of the sponsoring organization and the name of the chairperson ~~or treasurer~~ of the political or other organization sponsoring the same or the name of the individual who is responsible therefor.

(b) Corrupt political advertising is a class C misdemeanor.

(c) For the purposes of this section, the term "expressly advocate the nomination, election or defeat of a candidate" shall have the meaning ascribed to it in K.S.A. 25-4143, and amendments thereto.

Sec. 4. K.S.A. 25-4156 is hereby amended to read as follows: 25-4156. (a) (1) Whenever any person sells space in any newspaper, magazine or other periodical to a candidate or to a candidate committee, party committee or political committee, the charge made for the use of such space shall not exceed the charges made for comparable use of such space for other purposes.

(2) Intentionally charging an excessive amount for political advertising is a class A nonperson misdemeanor.

(b) (1) Except as provided in paragraph (2), corrupt political advertising of a state or local office is:

(A) Publishing or causing to be published in a newspaper or other periodical any paid matter that expressly advocates the nomination, election or defeat of a clearly identified candidate for a state or local office, unless such matter is followed by the word "advertisement" or the abbreviation "adv." in a separate line together with the name of the chairperson ~~or treasurer~~ of the political or other organization sponsoring the same or the name of the individual who is responsible therefor;

(B) broadcasting or causing to be broadcast by any radio or television station any paid matter that expressly advocates the nomination, election or defeat of a clearly identified candidate for a state or local office, unless such matter is followed by a statement that states: "Paid for" or "Sponsored by" followed by the name of the sponsoring organization and the name of the chairperson ~~or treasurer~~ of the political or

other organization sponsoring the same or the name of the individual who is responsible therefor;

(C) telephoning or causing to be contacted by any telephonic means including, but not limited to, any device using a voice over internet protocol or wireless telephone, any paid matter that expressly advocates the nomination, election or defeat of a clearly identified candidate for a state or local office, unless such matter is preceded by a statement that states: "Paid for" or "Sponsored by" followed by the name of the sponsoring organization and the name of the chairperson ~~or treasurer~~ of the political or other organization sponsoring the same or the name of the individual who is responsible therefor;

(D) publishing or causing to be published any brochure, flier or other political fact sheet that expressly advocates the nomination, election or defeat of a clearly identified candidate for a state or local office, unless such matter is followed by a statement that states: "Paid for" or "Sponsored by" followed by the name of the chairperson ~~or treasurer~~ of the political or other organization sponsoring the same or the name of the individual who is responsible therefor.

The provisions of this subparagraph ~~(D)~~ requiring the disclosure of the name of an individual shall not apply to individuals making expenditures in an aggregate amount of less than $2,500 within a calendar year; or

(E) making or causing to be made any website, e-mail or other type of internet communication that expressly advocates the nomination, election or defeat of a clearly identified candidate for a state or local office, unless the matter is followed by a statement that states: "Paid for" or "Sponsored by" followed by the name of the chairperson ~~or treasurer~~ of the political or other organization sponsoring the same or the name of the individual who is responsible therefor.

The provisions of this subparagraph ~~(E)~~ requiring the disclosure of the name of an individual shall apply only to any website, email or other type of internet communication that is made by the candidate, the candidate's candidate committee, a political committee or a party committee and the website, email or other internet communication viewed by or disseminated to at least 25 individuals. For the purposes of this subparagraph, the terms "candidate," "candidate committee," "party committee" and "political committee" shall have the meanings ascribed to them in K.S.A. 25-4143, and amendments thereto.

(2) The provisions of subsections (b)(1)(C) and ~~(E)~~ (b)(1)(E) shall not apply to the publication of any communication that expressly advocates the nomination, election or defeat of a clearly identified candidate for state or local office, if such communication is made over any social media provider ~~which~~ that has a character limit of 280 characters or fewer.

(3) Corrupt political advertising of a state or local office is a class C nonperson misdemeanor.

(c) ~~If any provision of this section or application thereof to any person or circumstance is held invalid, such invalidity does not affect other provisions or applications of this section that can be given effect without the invalid application or provision, and to this end the provisions of this section are declared to be severable~~If any provision or clause of this section or application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this section that can be given effect without the invalid provision or

application, and to this end the provisions of this act are declared to be severable.

Sec. 5. K.S.A. 25-1121, 25-1128, 25-2407 and 25-4156 are hereby repealed.";

And by renumbering sections accordingly;

Also on page 7, in line 16, after "after" by inserting "January 1, 2025, and"; in line 17, by striking "Kansas register" and inserting "statute book";

On page 1, in the title, in line 1, by striking all after "concerning"; by striking all in lines 2 through 4 and inserting "elections; relating to election crimes; requiring certain information be provided on advance voting ballot envelopes; directing county election officers to record the name of individuals returning advance voting ballots on behalf of another voter and the number of such ballots returned; requiring county election officers to file complaints if laws regulating the return of such ballots are violated; removing the requirement to provide the name of the treasurer of the sponsoring organization of a political advertisement; amending K.S.A. 25-1121, 25-1128, 25-2407 and 25-4156";

And your committee on conference recommends the adoption of this report.

MICHAEL THOMPSON
RICK KLOOS
OLETHA FAUST GOUDEAU
Conferees on part of Senate

PAT PROCTOR
PAUL WAGGONER
BRANDON WOODARD
Conferees on part of House

Senator Thompson moved the Senate adopt the Conference Committee Report on **HB 2614**.

On roll call, the vote was: Yeas 26; Nays 13; Present and Passing 0; Absent or Not Voting 1.

Yeas: Alley, Baumgardner, Billinger, Blasi, Bowers, Claeys, Dietrich, Erickson, Fagg, Gossage, Kerschen, Kloos, Longbine, Masterson, McGinn, O'Shea, Peck, Petersen, Pyle, Shallenburger, Steffen, Straub, Thompson, Tyson, Warren, Wilborn.

Nays: Corson, Doll, Faust-Goudeau, Francisco, Haley, Holland, Holscher, Olson, Pettey, Pittman, Reddi, Sykes, Ware.

Absent or Not Voting: Ryckman.

The Conference Committee Report was adopted.

EXPLANATION OF VOTE

I voted "YES" on **HB 2614** because safe and secure elections are a goal I embrace and strive for. Also, I clearly understand that this goal is achieved intentionally and not achieved unintentionally.—MARK STEFFEN

CONFERENCE COMMITTEE REPORT

MR. SPEAKER and MR. PRESIDENT: Your committee on conference on Senate amendments to **HB 2618** submits the following report:

The House accedes to all Senate amendments to the bill, and your committee on conference further agrees to amend the bill as printed with Senate Committee amendments, as follows:

On page 1, following line 6, by inserting:

"Section 1. K.S.A. 25-2436 is hereby amended to read as follows: 25-2436. (a) The provisions of this section shall be known and may be cited as the transparency in revenues underwriting elections act.

(b) As used in this section:

(1) "Election official" means any county election officer or the chief state election official, as such terms are defined in K.S.A. 25-2504, and amendments thereto, and any officer or employee of such election official.

(2) "Federal government" means any branch, agency, department, office, bureau or instrumentality of the government of the United States.

(3) "Governmental agency" means the state or any agency or political subdivision or instrumentality thereof.

(4) "Person" means any individual, corporation, partnership, company, organization, political party, political committee or any other private entity.

(c) (1) No election official shall knowingly accept or expend any moneys, directly or indirectly, from any person, except as provided in any acts of appropriation or as otherwise provided by state law, for any expenditures related to conducting, funding or otherwise facilitating the administration of an election pursuant to law.

(2) No governmental agency, including, but not limited to, any election official, shall knowingly accept or expend any moneys, directly or indirectly, from the federal government, except as provided in any acts of appropriation or as otherwise provided by state law, for any expenditures related to conducting, funding or otherwise facilitating the administration of an election pursuant to law or for any election-related activities, including, but not limited to, voter registration and voter assistance. Provided that such expenditures are authorized by acts of appropriation or state law, any moneys received from the federal government shall only be expended for those purposes authorized by an act of congress appropriating such moneys.

(d) The provisions of this section shall not apply to:

(1) Any moneys collected by an election official from the payment of fees or assessed costs as required by law; or

(2) any moneys received as campaign contributions for any candidate for the office of county clerk.

(e) A violation of this section is a severity level 9, nonperson felony.";

Also on page 1, in line 24, after "K.S.A." by inserting "25-2436 and"; also in line 24, by striking "is" and inserting "are";

And by renumbering sections accordingly;

Also on page 1, in the title, in line 1, by striking "the"; also in line 1, by striking all after "election"; in line 2, by striking all before the semicolon and inserting "crimes; prohibiting the use of funds provided by the United States government for the conduct of elections or election-related activities unless approved by the legislature"; in line 3, by striking "such criminal" and inserting "the"; also in line 3, after "offense" by inserting "of false representation of an election official"; also in line 3, after "K.S.A." by inserting "25-2436 and"; in line 4, by striking "section" and inserting "sections";

And your committee on conference recommends the adoption of this report.

MICHAEL THOMPSON
RICK KLOOS
Conferees on part of Senate

PAT PROCTOR
PAUL WAGGONER
Conferees on part of House

Senator Thompson moved the Senate adopt the Conference Committee Report on **HB 2618**.

On roll call, the vote was: Yeas 26; Nays 13; Present and Passing 0; Absent or Not Voting 1.

Yeas: Alley, Baumgardner, Billinger, Blasi, Bowers, Claeys, Dietrich, Erickson, Fagg, Gossage, Kerschen, Kloos, Longbine, Masterson, McGinn, O'Shea, Peck, Petersen, Pyle, Shallenburger, Steffen, Straub, Thompson, Tyson, Warren, Wilborn.

Nays: Corson, Doll, Faust-Goudeau, Francisco, Haley, Holland, Holscher, Olson, Pettey, Pittman, Reddi, Sykes, Ware.

Absent or Not Voting: Ryckman.

The Conference Committee Report was adopted.

EXPLANATION OF VOTE

I voted "YES" on **HB 2618** because safe and secure elections are a goal I embrace and strive for. Also, I clearly understand that this goal is achieved intentionally and not achieved unintentionally.—MARK STEFFEN

CONFERENCE COMMITTEE REPORT

MR. SPEAKER and MR. PRESIDENT: Your committee on conference on Senate amendments to **HB 2711** submits the following report:

The House accedes to all Senate amendments to the bill, and your committee on conference further agrees to amend the bill as printed with Senate Committee of the Whole amendments, as follows:

On page 1, following line 16, by inserting:

"New Section 1. The provisions of sections 1 through 7, and amendments thereto, shall be known and may be cited as the countries of concern divestment act.

New Sec. 2. As used in this act:

(a) "Act" means the countries of concern divestment act.

(b) "Company" means any:

(1) For-profit corporation, partnership, limited partnership, limited liability partnership, limited liability company, joint venture, trust, association, sole proprietorship or other organization, including any:

(A) Subsidiary of such company, a majority ownership interest of which is held by such company;

(B) parent company that holds a majority ownership of such company; and

(C) other affiliate or business association of such company whose primary purpose is to make a profit; or

(2) nonprofit organization.

(c) (1) "Country of concern" means the following:

(A) People's republic of China, including the Hong Kong special administrative region;

(B) republic of Cuba;

(C) islamic republic of Iran;

(D) democratic people's republic of Korea;

(E) Russian federation; and

(F) Bolivarian republic of Venezuela.

(2) "Country of concern" does not include the republic of China (Taiwan).

(d) "Covered transaction" means the same as defined in 31 C.F.R. § 800.213, as in effect on July 1, 2024.

(e) "Covered control transaction" means the same as defined in 31 C.F.R. § 800.210, as in effect on July 1, 2024.

(f) "Domicile" means the country where:

(1) A company is organized;

(2) a company completes a substantial portion of its business; or

(3) a majority of a company's ownership interest is held.

(g) "Person" means an individual.

(h) "Person owned or controlled by or subject to the jurisdiction or direction of a country of concern" means any:

(1) Person, wherever located, who is a citizen of a nation-state controlled by a country of concern, unless such person is a lawful permanent resident of the United States; or

(2) corporation, partnership, association or other organization organized under the laws of a nation-state controlled by a country of concern.

(i) "State agency" means any department, authority, bureau, division, office or other governmental agency of this state.

(j) "State-managed fund" means:

(1) The Kansas public employees retirement fund managed by the board of trustees of the Kansas public employees retirement system in accordance with K.S.A. 74-4921, and amendments thereto;

(2) the pooled money investment portfolio managed by the pooled money investment board in accordance with article 42 of chapter 75 of the Kansas Statutes Annotated, and amendments thereto; and

(3) any other fund that is sponsored or managed by a state agency.

New Sec. 3. (a) (1) Notwithstanding the provisions of K.S.A. 74-4921, and amendments thereto, or any other statute to the contrary, and except as provided in paragraph (2), a state-managed fund shall sell, redeem, divest or withdraw all publicly traded securities of any country of concern or person owned or controlled by or subject to the jurisdiction or direction of a country of concern in accordance with the following schedule:

(A) At least 50% of such assets shall be removed from the state-managed fund's assets under management not later than July 1, 2025, or one year from the date section 2, and amendments thereto, is amended to include such country of concern if amended after July 1, 2024, unless the state-managed fund determines that a later date is more prudent based on a good faith exercise of the state-managed fund's fiduciary discretion and subject to subparagraph (B); and

(B) 100% of such assets shall be removed from the state-managed fund's assets under management not later than January 1, 2026, or one year from the date section 2, and amendments thereto, is amended to include such country of concern if amended after July 1, 2024.

(2) If a country of concern takes action to prohibit or restrict the selling, redeeming, divesting or withdrawing of publicly traded securities of any country of concern or

person owned or controlled by or subject to the jurisdiction or direction of a country of concern beyond the scheduled removal dates provided in paragraph (1), the state-managed fund shall remove 100% of such assets from the state-managed fund's assets not later than one year from the date that such action is ended by such country of concern.

(b) A state-managed fund shall not knowingly acquire securities of any country of concern or person owned or controlled by or subject to the jurisdiction or direction of a country of concern.

(c) A state-managed fund shall not invest or make a deposit in any bank that is domiciled in a country of concern.

New Sec. 4. (a) Notwithstanding the provisions of K.S.A. 74-4921, and amendments thereto, or any other statute to the contrary, a state-managed fund shall divest from any indirect holdings in actively or passively managed investment funds containing publicly traded securities of any country of concern or person owned or controlled by or subject to the jurisdiction or direction of a country of concern. Such state-managed fund may submit letters to the managers of each investment fund containing publicly traded securities of any country of concern or person owned or controlled by or subject to the jurisdiction or direction of a country of concern requesting that they remove such publicly traded securities from the fund or create a similar actively or passively managed fund with indirect holdings devoid of such publicly traded securities. If a manager creates a similar fund with substantially the same management fees and substantially the same level of investment risk and anticipated return, the state-managed fund may replace all applicable investments with investments in the similar fund in a time frame consistent with prudent fiduciary standards but not later than the 450th day after the date the fund is created. If a manager does not create such similar fund, the state-managed fund shall divest from such indirect holdings in actively or passively managed investment funds.

(b) (1) The provisions of this act shall not apply to any real estate or private equity investment commitment made by a state-managed fund prior to July 1, 2024, or to a real estate or private equity investment commitment made by a state-managed fund prior to the date that section 2, and amendments thereto, is amended to include a country of concern, if amended after July 1, 2024.

(2) On and after July 1, 2024, a state-managed fund shall not make any new real estate or private equity investment commitment in a person owned or controlled by or subject to the jurisdiction of a country of concern.

New Sec. 5. Not later than the first day of the regular session of the legislature, each year, each state-managed fund shall file a report with the legislature and the Kansas public employees retirement system shall also file such report with the joint committee on pensions, investments and benefits that:

(a) Identifies all securities sold, redeemed, divested or withdrawn in compliance with section 3(a), and amendments thereto;

(b) identifies amendments to section 2, and amendments thereto, that add or remove a country of concern after the later of July 1, 2024, or the last date such information was reported under this section; and

(c) summarizes any changes made under section 4, and amendments thereto.

New Sec. 6. In a cause of action based on an action, inaction, decision, divestment, investment, report or other determination made or taken in compliance with this act,

without regard to whether the person performed services for compensation, the state shall indemnify and hold harmless for actual damages, court costs and attorney fees adjudged against members of a state-managed fund or any other officers of such state-managed fund related to the act or omission on which the damages are based and defend the state-managed fund and any of such state-managed fund's current and former employees.

New Sec. 7. (a) The provisions of this act shall expire on July 1, 2029.

(b) On or after July 1, 2028, but before July 15, 2028, the Kansas public employees retirement system shall notify the speaker of the house of representatives, the president of the senate and the chairperson of the joint committee on pensions, investments and benefits that this act is scheduled to expire on July 1, 2029.";

On page 12, following line 40, by inserting:

"Sec. 10. K.S.A. 2023 Supp. 74-4921 is hereby amended to read as follows: 74-4921. (1) There is hereby created in the state treasury the Kansas public employees retirement fund. All employee and employer contributions shall be deposited in the state treasury to be credited to the Kansas public employees retirement fund. The fund is a trust fund and shall be used solely for the exclusive purpose of providing benefits to members and member beneficiaries and defraying reasonable expenses of administering the fund. Investment income of the fund shall be added or credited to the fund as provided by law. All benefits payable under the system, refund of contributions and overpayments, purchases or investments under the law and expenses in connection with the system unless otherwise provided by law shall be paid from the fund. The director of accounts and reports is authorized to draw warrants on the state treasurer and against such fund upon the filing in the director's office of proper vouchers executed by the chairperson or the executive director of the board. As an alternative, payments from the fund may be made by credits to the accounts of recipients of payments in banks, savings and loan associations and credit unions. A payment shall be so made only upon the written authorization and direction of the recipient of payment and upon receipt of such authorization such payments shall be made in accordance therewith. Orders for payment of such claims may be contained on:

(a) A letter, memorandum, telegram, computer printout or similar writing; or

(b) any form of communication, other than voice, which is registered upon magnetic tape, disc or any other medium designed to capture and contain in durable form conventional signals used for the electronic communication of messages.

(2) The board shall have the responsibility for the management of the fund and shall discharge the board's duties with respect to the fund solely in the interests of the members and beneficiaries of the system for the exclusive purpose of providing benefits to members and such member's beneficiaries and defraying reasonable expenses of administering the fund and shall invest and reinvest moneys in the fund and acquire, retain, manage, including the exercise of any voting rights and disposal of investments of the fund within the limitations and according to the powers, duties and purposes as prescribed by this section.

(3) Moneys in the fund shall be invested and reinvested to achieve the investment objective which is preservation of the fund to provide benefits to members and member beneficiaries, as provided by law and accordingly providing that the moneys are as productive as possible, subject to the standards set forth in this act. No moneys in the fund shall be invested or reinvested if any investment objective is for economic

development or social purposes or objectives.

(4) In investing and reinvesting moneys in the fund and in acquiring, retaining, managing and disposing of investments of the fund, the board shall exercise the judgment, care, skill, prudence and diligence under the circumstances then prevailing, which persons of prudence, discretion and intelligence acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims by diversifying the investments of the fund so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so, and not in regard to speculation but in regard to the permanent disposition of similar funds, considering the probable income as well as the probable safety of their capital.

(5) Notwithstanding subsection (4):

(a) Total investments in common stock may be made in the amount of up to 60% of the total book value of the fund;

(b) the board may invest or reinvest moneys of the fund in alternative investments if the following conditions are satisfied:

(i) The total of the annual net commitment to alternative investments does not exceed 5% of the total market value of investment assets of the fund as measured from the end of the preceding calendar year;

(ii) if in addition to the system, there are at least two other qualified institutional buyers, as defined by section (a)(1)(i) of rule 144A, securities act of 1933;

(iii) the system's share in any individual alternative investment is limited to an investment representing not more than 20% of any such individual alternative investment;

(iv) the system has received a favorable and appropriate recommendation from a qualified, independent expert in investment management or analysis in that particular type of alternative investment;

(v) the alternative investment is consistent with the system's investment policies and objectives as provided in subsection (6);

(vi) the individual alternative investment does not exceed more than 2.5% of the total alternative investments made under this subsection. If the alternative investment is made pursuant to participation by the system in a multi-investor pool, the 2.5% limitation contained in this subsection is applied to the underlying individual assets of such pool and not to investment in the pool itself. The total of such alternative investments made pursuant to participation by the system in any one individual multi-investor pool shall not exceed more than 20% of the total of alternative investments made by the system pursuant to this subsection. Nothing in this subsection requires the board to liquidate or sell the system's holdings in any alternative investments made pursuant to participation by the system in any one individual multi-investor pool held by the system on the effective date of this act, unless such liquidation or sale would be in the best interest of the members and beneficiaries of the system and be prudent under the standards contained in this section. The 20% limitation contained in this subsection shall not have been violated if the total of such investment in any one individual multi-investor pool exceeds 20% of the total alternative investments of the fund as a result of market forces acting to increase the value of such a multi-investor pool relative to the rest of the system's alternative investments; however, the board shall not invest or reinvest any moneys of the fund in any such individual multi-investor pool until the value of such individual multi-investor pool is less than 20% of the total alternative

investments of the fund;

(vii) the board has received and considered the investment manager's due diligence findings submitted to the board as required by subsection (6);

(viii) prior to the time the alternative investment is made, the system has in place procedures and systems to ensure that the investment is properly monitored and investment performance is accurately measured; and

(ix) the total of alternative investments does not exceed ~~15%~~ 25% of the total investment assets of the fund. The ~~15%~~ 25% limitation contained in this subsection shall not have been violated if the total of such alternative investments exceeds ~~15%~~ 25% of the total investment assets of the fund, based on the fund total market value, as a result of market forces acting to increase the value of such alternative investments relative to the rest of the system's investments. However, the board shall not invest or reinvest any moneys of the fund in alternative investments until the total value of such alternative investments is less than ~~15%~~ 25% of the total investment assets of the fund based on the market value. If the total value of the alternative investments exceeds ~~15%~~ 25% of the total investment assets of the fund, the board shall not be required to liquidate or sell the system's holdings in any alternative investment held by the system, unless such liquidation or sale would be in the best interest of the members and beneficiaries of the system and is prudent under the standards contained in this section;

(c) for purposes of this section, "alternative investment" includes a broad group of investments that are not one of the traditional asset types of public equities, fixed income, cash or real estate. Alternative investments are generally made through limited partnership or similar structures, are not regularly traded on nationally recognized exchanges and thus are relatively illiquid, and exhibit lower correlations with more liquid asset types such as stocks and bonds. Alternative investments generally include, but are not limited to, private equity, private credit, hedge funds, infrastructure, commodities and other investments that have the characteristics described in this paragraph; and

(d) except as otherwise provided, the board may invest or reinvest moneys of the fund in real estate investments if the following conditions are satisfied:

(i) The system has received a favorable and appropriate recommendation from a qualified, independent expert in investment management or analysis in that particular type of real estate investment;

(ii) the real estate investment is consistent with the system's investment policies and objectives as provided in subsection (6); and

(iii) the system has received and considered the investment manager's due diligence findings.

(6) (a) Subject to the objective set forth in subsection (3) and the standards set forth in subsections (4) and (5) the board shall formulate policies and objectives for the investment and reinvestment of moneys in the fund and the acquisition, retention, management and disposition of investments of the fund. Such policies and objectives shall include:

(i) Specific asset allocation standards and objectives;

(ii) establishment of criteria for evaluating the risk versus the potential return on a particular investment;

(iii) a requirement that all investment managers submit such manager's due diligence findings on each investment to the board or investment advisory committee

for approval or rejection prior to making any alternative investment;

(iv) a requirement that all investment managers shall immediately report all instances of default on investments to the board and provide the board with recommendations and options, including, but not limited to, curing the default or withdrawal from the investment; and

(v) establishment of criteria that would be used as a guideline for determining when no additional add-on investments or reinvestments would be made and when the investment would be liquidated.

(b) The board shall review such policies and objectives, make changes considered necessary or desirable and readopt such policies and objectives on an annual basis.

(7) The board may enter into contracts with one or more persons whom the board determines to be qualified, whereby the persons undertake to perform the functions specified in subsection (2) to the extent provided in the contract. Performance of functions under contract so entered into shall be paid pursuant to rates fixed by the board subject to provisions of appropriation acts and shall be based on specific contractual fee arrangements. The system shall not pay or reimburse any expenses of persons contracted with pursuant to this subsection, except that after approval of the board, the system may pay approved investment related expenses subject to provisions of appropriation acts. The board shall require that a person contracted with to obtain commercial insurance which provides for errors and omissions coverage for such person in an amount to be specified by the board, provided that such coverage shall be at least the greater of $500,000 or 1% of the funds entrusted to such person up to a maximum of $10,000,000. The board shall require a person contracted with to give a fidelity bond in a penal sum as may be fixed by law or, if not so fixed, as may be fixed by the board, with corporate surety authorized to do business in this state. Such persons contracted with the board pursuant to this subsection and any persons contracted with such persons to perform the functions specified in subsection (2) shall be deemed to be agents of the board and the system in the performance of contractual obligations.

(8) (a) In the acquisition or disposition of securities, the board may rely on the written legal opinion of a reputable bond attorney or attorneys, the written opinion of the attorney of the investment counselor or managers, or the written opinion of the attorney general certifying the legality of the securities.

(b) The board shall employ or retain qualified investment counsel or counselors or may negotiate with a trust company to assist and advise in the judicious investment of funds as herein provided.

(9) (a) Except as provided in subsection (7) and this subsection, the custody of money and securities of the fund shall remain in the custody of the state treasurer, except that the board may arrange for the custody of such money and securities as it considers advisable with one or more member banks or trust companies of the federal reserve system or with one or more banks in the state of Kansas, or both, to be held in safekeeping by the banks or trust companies for the collection of the principal and interest or other income or of the proceeds of sale. The services provided by the banks or trust companies shall be paid pursuant to rates fixed by the board subject to provisions of appropriation acts.

(b) The state treasurer and the board shall collect the principal and interest or other income of investments or the proceeds of sale of securities in the custody of the state treasurer and pay same when so collected into the fund.

(c) The principal and interest or other income or the proceeds of sale of securities as provided in this subsection shall be reported to the state treasurer and the board and credited to the fund.

(10) The board shall with the advice of the director of accounts and reports establish the requirements and procedure for reporting any and all activity relating to investment functions provided for in this act in order to prepare a record monthly of the investment income and changes made during the preceding month. The record will reflect a detailed summary of investment, reinvestment, purchase, sale and exchange transactions and such other information as the board may consider advisable to reflect a true accounting of the investment activity of the fund.

(11) The board shall provide for an examination of the investment program annually. The examination shall include an evaluation of current investment policies and practices and of specific investments of the fund in relation to the objective set forth in subsection (3), the standard set forth in subsection (4) and other criteria as may be appropriate, and recommendations relating to the fund investment policies and practices and to specific investments of the fund as are considered necessary or desirable. The board shall include in its annual report to the governor as provided in K.S.A. 74-4907, and amendments thereto, a report or a summary thereof covering the investments of the fund.

(12) Any internal assessment or examination of alternative investments of the system performed by any person or entity employed or retained by the board which evaluates or monitors the performance of alternative investments shall be reported to the legislative post auditor so that such report may be reviewed in accordance with the annual financial-compliance audits conducted pursuant to K.S.A. 74-49,136, and amendments thereto.";

On page 21, in line 10, by striking the third "and" and inserting a comma; also in line 10, after "74-4914" by inserting "and 74-4921";

And by renumbering sections accordingly;

On page 1, in the title, in line 1, by striking "retirement and pensions" and inserting "state-managed funds"; also in line 1, after "to" by inserting "investment procedures, standards and requirements therefor and certain retirement benefits therefrom; enacting the countries of concern divestment act; requiring divestment from investments with countries of concern and providing exceptions therefor; prohibiting investments and deposits with any bank or company domiciled in a country of concern; indemnifying state-managed funds with respect to actions taken in compliance with such act; providing an expiration date for such act; relating to"; in line 2, after the semicolon by inserting "Kansas public employees retirement fund; increasing the statutory alternative investment percentage limit to 25%; increasing the"; in line 14, by striking the first "and" and inserting a comma; also in line 14, after "74-4914" by inserting "and 74-4921";

And your committee on conference recommends the adoption of this report.

JEFF LONGBINE
MICHAEL FAGG
JEFF PITTMAN
Conferees on part of Senate

NICK HOHEISEL
WILLIAM CLIFFORD
RUI XU
Conferees on part of House

Senator Longbine moved the Senate adopt the Conference Committee Report on **HB 2711**.

On roll call, the vote was: Yeas 30; Nays 8; Present and Passing 1; Absent or Not Voting 1.

Yeas: Alley, Baumgardner, Billinger, Blasi, Bowers, Claeys, Corson, Dietrich, Erickson, Fagg, Faust-Goudeau, Francisco, Gossage, Haley, Holscher, Kerschen, Kloos, Longbine, Masterson, McGinn, O'Shea, Peck, Pettey, Pittman, Reddi, Straub, Sykes, Ware, Warren, Wilborn.

Nays: Doll, Holland, Olson, Pyle, Shallenburger, Steffen, Thompson, Tyson.

Present and Passing: Petersen.

Absent or Not Voting: Ryckman.

The Conference Committee Report was adopted.

CONFERENCE COMMITTEE REPORT

MR. SPEAKER and MR. PRESIDENT: Your committee on conference on Senate amendments to **HB 2787** submits the following report:

The House accedes to all Senate amendments to the bill, and your committee on conference further agrees to amend the bill as printed with Senate Committee amendments, as follows:

On page 1, following line 11, by inserting:

"New Section 1. (a) All matters relating to the insolvency or impairment of any member insurer placed under an order of liquidation by a court of competent jurisdiction with a finding of insolvency before the effective date, or for which the association otherwise exercises its powers and duties under K.S.A. 40-3008, and amendments thereto, before July 1, 2024, including past, present and future assessments and credits, shall be governed by the provisions of this act that were in effect before July 1, 2024.

(b) All matters relating to the insolvency or impairment of any member insurer placed under an order of liquidation by a court of competent jurisdiction with a finding of insolvency on or after the effective date of this section, or for which the association otherwise exercises its powers and duties under K.S.A. 40-3008, and amendments thereto, on or after July 1, 2024, shall be governed by the provisions of the act in effect on the date such actions are officially taken.";

On page 6, following line 42, by inserting:

"Sec. 6. K.S.A. 40-3002 is hereby amended to read as follows: 40-3002. (a) The purpose of this act is to protect, subject to certain limitations, the persons specified in ~~subsection (a) of~~ K.S.A. 40-3003, and amendments thereto, against failure in the performance of contractual obligations, under life ~~and~~, health ~~insurance policies~~ and annuity policies, plans and contracts specified in ~~subsection (b) of~~ K.S.A. 40-3003, and amendments thereto, because of the impairment or insolvency of the member insurer that issued the policies or contracts.

(b) To provide this protection, an association of member insurers is created to pay benefits and to continue coverages as limited herein, and members of the association are

subject to assessment to provide funds to carry out the purpose of this act.

Sec. 7. K.S.A. 40-3003 is hereby amended to read as follows: 40-3003. (a) This act shall provide coverage~~,~~ for the policies, plans and contracts specified in subsection (b), for:

(1) Persons who, regardless of where they reside, except for nonresident certificate holders under group policies or contracts, are the beneficiaries, assignees, payees or providers of the persons covered under paragraph (2); and

(2) persons who are ~~owners~~ policyholders or contract holders of or certificate holders or enrollees under such policies or contracts other than structured settlement annuities, and who are:

(A) ~~Are~~ Residents;

(B) ~~are~~ not residents, but only with respect to an annuity contract awarded pursuant to K.S.A. 60-3407 or 60-3409, and amendments thereto, an annuity contract for future economic loss procured pursuant to a settlement agreement in a medical malpractice liability action, as defined by K.S.A. 60-3401, and amendments thereto, or fixed-return accounts of the Kansas public employees deferred compensation plan under K.S.A. 74-49b08 through 74-49b14, and amendments thereto; or

(C) ~~are~~ not residents, but only under all of the following conditions:

(i) The member insurers ~~which~~ that issued such policies or contracts are domiciled in this state;

(ii) the states in which such persons reside have one or more associations similar to the association created by this act; and

(iii) the persons are not eligible for coverage by an association in any other state due to the fact that the insurer or health maintenance organization was not licensed in the state at the time specified in the state's guaranty association law.

(3) (A) Paragraphs (1) and (2) ~~of this subsection~~ shall not apply to structured settlement annuities.

(B) Except as provided in paragraphs (4) and (5) ~~of this subsection~~, this act shall provide coverage to a person who is a payee under a structured settlement annuity, or beneficiary of a payee if the payee is deceased, if the payee:

(i) (a) Is a resident, regardless of where the contract holder resides; or

(b) is not a resident, but only under both of the following conditions:

(1) The contract holder of the structured settlement annuity is a resident; or

(2) the contract holder of the structured settlement annuity is not a resident~~;~~, but:

(A) The insurer that issued the structured settlement annuity is domiciled in this state; and

(B) the state in which the contract holder resides has an association similar to the association created by this act; and

(ii) neither the payee or beneficiary nor the contract holder is eligible for coverage by the association of the state in which the payee or contract holder resides.

(4) This act shall not provide coverage to a person who:

(A) Is a payee or beneficiary of a contract holder resident of this state, if the payee or beneficiary is afforded any coverage by the association of another state; or

(B) acquires rights to receive payments though a structured settlement factoring transaction as defined in 26 U.S.C. 5891(c)(3)(A), regardless of whether the transaction occurred before or after such section became effective.

(5) This act is intended to provide coverage to a person who is a resident of this

state and, in special circumstances, to a nonresident. In order to avoid duplicate coverage, if a person who would otherwise receive coverage under this act is provided coverage under the laws of any other state, the person shall not be provided coverage under this act. In determining the application of the provisions of this paragraph in situations where a person could be covered by the association of more than one state, whether as a policyholder, contract holder, payee, enrollee, beneficiary or assignee, this act shall be construed in conjunction with other state laws to result in coverage by only one association.

(b) (1) This act shall provide coverage to the persons specified in subsection (a) for policies or contracts of direct, nongroup life insurance, health, insurance or ~~annuity policies or contracts,~~ annuities and supplemental contracts or unallocated annuity contracts covering individuals participating in a governmental deferred compensation plan established under section 457 of the U.S. internal revenue code pursuant to K.S.A. 74-49b08 through 74-49b14, and amendments thereto, whether or not a resident, or the beneficiaries of each such individual if deceased, and for certificates under direct group policies and contracts issued by member insurers, except as limited by this act.

(2) As used in this act, health insurer includes health maintenance organization subscriber contracts and certificates.

Sec. 8. K.S.A. 40-3005 is hereby amended to read as follows: 40-3005. As used in this act:

(a) "Account" means ~~either~~ any of the three accounts created under K.S.A. 40-3006, and amendments thereto;

(b) "association" means the Kansas life and health insurance guaranty association created under K.S.A. 40-3006, and amendments thereto;

(c) "commissioner" means the commissioner of insurance of this state;

(d) "contractual obligation" means any obligation of a policy or contract or certificate under a group policy or contract, or portion thereof, for which coverage is provided under K.S.A. 40-3003, and amendments thereto;

(e) "covered contract" or "covered policy" means any policy or contract ~~within the scope of this act~~ for which coverage is provided under K.S.A. 40-3003, and amendments thereto;

(f) "extra-contractual claims" shall include, for example, claims relating to bad faith in the payment of claims, punitive or exemplary damages or attorney fees and costs;

(g) "health benefit plan" means any hospital or medical expense policy or certificate, or health maintenance organization subscriber contract or any other similar health contract. "Health benefit plan" does not include:

(1) Accident only insurance;

(2) credit insurance;

(3) dental only insurance;

(4) vision only insurance;

(5) medicare supplement insurance;

(6) benefits for long-term care, home healthcare, community-based care or any combination thereof;

(7) disability income insurance;

(8) coverage for on-site medical clinics; and

(9) specified disease, hospital confinement indemnity or limited benefit health insurance if the types of coverage do not provide coordination of benefits and are

provided under separate policies or certificates;

(h) "impaired insurer" means a member insurer ~~which,~~ that, after the effective date of this act, is not an insolvent insurer~~,~~ and is placed under an order of rehabilitation or conservation by a court of competent jurisdiction;

~~(g)~~(i) "insolvent insurer" means a member insurer ~~which,~~ that, after the effective date of this act, is placed under an order of liquidation by a court of competent jurisdiction with a finding of insolvency;

~~(h)~~(j) "member insurer" means any insurer or health maintenance organization licensed or holding a certificate of authority to transact in this state any kind of insurance or health maintenance organization business for which coverage is provided under K.S.A. 40-3003, and amendments thereto, and includes any insurer or health maintenance organization whose license or certificate of authority in this state may have been suspended, revoked, nonrenewed or voluntarily withdrawn, but does not include:

(1) A hospital or medical service organization regardless of whether such hospital or medical service organization is organized for profit or not-for-profit;

(2) ~~a health maintenance organization;~~

~~(3)~~ a fraternal benefit society;

~~(4)~~(3) a mandatory state pooling plan;

~~(5)~~(4) a mutual assessment company or any entity that operates on an assessment basis;

~~(6)~~(5) an insurance exchange, except a reciprocal or interinsurance exchange governed by the provisions of article 16 of chapter 40 of the Kansas Statutes Annotated, and amendments thereto; ~~or~~

(6) an organization that has a certificate or license limited to the issuance of charitable gift annuities; or

(7) any entity similar to any of the organizations listed in paragraphs (1) through (6) ~~inclusive~~;

~~(i)~~(k) "Moody's corporate bond yield average" means the monthly average corporates as published by Moody's investors service, inc., or any successor thereto;

~~(j)~~(l) "person" means any individual, corporation, partnership, association, voluntary organization or provider;

~~(k)~~(m) "policyholder" and "contract holder" means the person who is identified as the legal owner under the terms of the policy or contract or who is otherwise vested with legal title to the policy or contract through a valid assignment completed in accordance with the terms of the policy or contract and properly recorded as the owner on the books of the member insurer. The terms "policyholder" and "contract holder" do not include persons with a mere beneficial interest in a policy or contract;

~~(l)~~(n) "provider" means a person who is entitled to receive compensation for providing medical services to an insured or enrollee covered under any health insurance or health maintenance organization contract, certificate or policy issued by a member insurer, regardless of whether the provider is obligated by statute or by agreement with the member insurer to hold any insured or enrollee covered by any health insurance or health maintenance organization contract, certificate or policy harmless from liability for services;

~~(m)~~(o) "premiums" means amounts received on covered policies or contracts less premiums, considerations and deposits returned thereon, and less dividends and experience credits thereon. Premiums does not include any amounts received for any

policies or contracts or for the portions of any policies or contracts for which coverage is not provided under ~~subsection (b) of~~ K.S.A. 40-3003, and amendments thereto, except that assessable premiums shall not be reduced on accounts for ~~subsection (n)(3) of~~ K.S.A. 40-3008, and amendments thereto, relating to interest limitations and ~~subsection (o)(2) of~~ K.S.A. 40-3008, and amendments thereto, relating to limitations with respect to any one life and any one policyholder or contract holder. Premiums shall not include:

(1) Any premiums on any unallocated annuity contract; or

(2) any premiums in excess of $5,000,000 with respect to multiple nongroup policies of life insurance owned by one policyholder or contract holder, regardless of the number of policies or contracts held by the policyholder or contract holder and regardless of whether:

(A) The policyholder is an individual, firm, corporation or other person; and

(B) the persons insured are officers, managers, employees or other persons;

~~(n)~~(p) "resident" means any person who resides in this state at the time a member insurer is determined by court order to be an impaired or insolvent insurer and to whom a contractual obligation is owed. A person may be a resident of only one state, which, in the case of a person other than a natural person, shall be its principal place of business. Citizens of the United States that are either residents of foreign countries or residents of United States possessions, territories or protectorates that do not have an association similar to the association created by this act, shall be deemed residents of the state of domicile of the member insurer that issued the policies or contracts;

~~(o)~~(q) "structured settlement annuity" means an annuity purchased in order to fund periodic payments for a plaintiff or other claimant in payment for or with respect to personal injury suffered by the plaintiff or other claimant, but excludes an annuity policy or contract awarded pursuant to K.S.A. 60-3407 or 60-3409, and amendments thereto;

~~(p)~~(r) "supplemental contract" means any written agreement entered into for the distribution of proceeds under a life, health or annuity policy or contract; and

~~(q)~~(s) "unallocated annuity contract" means any annuity contract or group annuity certificate ~~which~~ that is not issued to and owned by an individual, except to the extent of any annuity benefits guaranteed to an individual by an insurer under such contract or certificate.

Sec. 9. K.S.A. 40-3006 is hereby amended to read as follows: 40-3006. (a) There is hereby created a nonprofit legal entity to be known as the Kansas life and health insurance guaranty association. All member insurers shall be and remain members of the association as a condition of their license or authority to transact insurance or health maintenance organization business in this state. The association shall perform its functions under the plan of operation established and approved under K.S.A. 40-3010, and amendments thereto, and shall exercise its powers through a board of directors established under K.S.A. 40-3007, and amendments thereto. For purposes of administration and assessment, the association shall maintain three accounts:

(1) ~~The~~ Health ~~insurance~~ account;

(2) ~~the~~ life insurance account; and

(3) ~~the~~ annuity account, excluding unallocated annuities.

(b) The association shall come under the immediate supervision of the commissioner and shall be subject to the applicable provisions of the insurance laws of

this state. Meetings or records of the association may be opened upon majority vote of the board of directors of the association.

Sec. 10. K.S.A. 40-3007 is hereby amended to read as follows: 40-3007. (a) The board of directors of the association shall consist of not ~~less~~ fewer than five nor more than nine member insurers serving terms as established in the plan of operation. The members of the board shall be selected by member insurers subject to the approval of the commissioner. Vacancies on the board shall be filled for the remaining periods of the terms by a majority vote of the remaining board members, subject to the approval of the commissioner. ~~To select the initial board of directors, and initially organize the association, the commissioner shall give notice to all member insurers of the time and place of the organizational meeting. In determining voting rights at the organizational meeting each member insurer shall be entitled to one vote in person or by proxy. If the board of directors is not selected within 60 days after notice of the organizational meeting, the commissioner may appoint the initial members.~~

(b) In approving selections or in appointing members to the board, the commissioner shall consider, among other things, whether all member insurers are fairly represented.

(c) Members of the board may be reimbursed from the assets of the association for expenses incurred by them as members of the board of directors but members of the board shall not otherwise be compensated by the association for their services.

(d) The terms of each member appointed and serving on the board of directors as of July 1, 2024, shall continue until the expiration of each member's current term. Upon expiration of each member's term, the commissioner shall decide whether to continue each member's position on the board or reduce the number of members of the board of directors in accordance with paragraph (e).

(e) On and after January 1, 2025, the board of directors shall consist of not fewer than five but not more than nine members appointed in accordance with this paragraph. Members of the board of directors shall be selected by member insurers subject to the approval of the commissioner. Each member of the board of directors shall be appointed for a term of three years, except that members shall be removable by the commissioner for inefficiency, neglect of duty or malfeasance.

Sec. 11. K.S.A. 40-3008 is hereby amended to read as follows: 40-3008. (a) If a member insurer is an impaired insurer, the association may, in its discretion and subject to any conditions imposed by the association that do not impair the contractual obligations of the impaired insurer and that are approved by the commissioner that:

(1) Guarantee, assume, reissue or reinsure, or cause to be guaranteed, assumed, reissued or reinsured, any or all of the policies or contracts of the impaired insurer; and

(2) provide such moneys, pledges, loans, notes, guarantees or other means as are proper to effectuate the provisions of paragraph (1) and assure payment of the contractual obligations of the impaired insurer pending action under paragraph (1).

(b) If a member insurer is an insolvent insurer, the association shall, in its discretion, either:

(1) (A) (i) Guarantee, assume, reissue or reinsure~~,~~ or cause to be guaranteed, assumed or reinsured, the policies or contracts of the insolvent insurer; or

(ii) assure payment of the contractual obligations of the insolvent insurer; and

(B) provide such moneys, pledges, loans, notes, guarantees or other means as are reasonably necessary to discharge such duties; or

(2) with respect to ~~life and health insurance policies and annuities~~ policies and contracts, provide benefits and coverages in accordance with subsection (c).

(c) When proceeding under ~~paragraph (2) of~~ subsection (b)(2), the association shall:

(1) Assure payment of benefits for premiums identical to the premiums and benefits~~, except for terms of conversion and renewability,~~ that would have been payable under the policies or contracts of the insolvent insurer, for claims incurred:

(A) With respect to group policies and contracts, not later than the earlier of the next renewal date under such policies or contracts or 45 days, but in no event less than 30 days, after the date on which the association becomes obligated with respect to such policies and contracts;

(B) with respect to nongroup policies, contracts and annuities not later than the earlier of the next renewal date, if any, under such policies or contracts or one year, but in no event less than 30 days, from the date on which the association becomes obligated with respect to such policies or contracts;

(2) make diligent efforts to provide all known insureds, enrollees, annuitants or group policyholders or contract holders with respect to group policies and contracts, 30 days' notice of the termination of the benefits provided; and

(3) with respect to nongroup ~~life and health insurance policies and annuities~~ policies and contracts covered by the association, make available to each known insured, enrollee or annuitant, or owner if other than the insured or annuitant, and with respect to an individual formerly an insured, enrollee, or an annuitant under a group policy or contract who is not eligible for replacement group coverage, make available substitute coverage on an individual basis in accordance with the provisions of paragraph (4), if the insureds, enrollees or annuitants had a right under law or the terminated policy, contract or annuity to convert coverage to individual coverage or to continue an individual policy, contract or annuity in force until a specified age or for a specified time, during which the insurer or health maintenance organization had no right unilaterally to make changes in any provision of the policy, contract or annuity or had a right only to make changes in premium by class;

(4) (A) in providing the substitute coverage required under paragraph (3), the association may offer either to reissue the terminated coverage or to issue an alternative policy or contract at actuarially justified rates;

(B) alternative or reissued policies or contracts shall be offered without requiring evidence of insurability, and shall not provide for any waiting period or exclusion that would not have applied under the terminated policy or contract; and

(C) the association may reinsure any alternative or reissued policy or contract;

(5) (A) alternative policies or contracts adopted by the association shall be subject to the approval of the commissioner. The association may adopt alternative policies or contracts of various types for future issuance without regard to any particular impairment or insolvency;

(B) alternative policies or contracts shall contain at least the minimum statutory provisions required in this state and provide benefits that shall not be unreasonable in relation to the premiums charged. The association shall set the premiums in accordance with a table of rates ~~which~~ that it shall adopt. The premiums shall reflect the amount of insurance or coverage to be provided and the age and class of risk of each insured; or enrollee but shall not reflect any changes in the health of the insured or enrollee after

the original policy or contract was last underwritten;

(C) any alternative policy or contract issued by the association shall provide coverage of a type similar to that of the policy or contract issued by the impaired or insolvent insurer, as determined by the association;

(6) if the association elects to reissue the insured's terminated coverage at a premium rate different from that charged under the terminated policy or contract, the premium shall be actuarially justified and set by the association in accordance with the amount of insurance or coverage provided and the age and class of risk, subject to prior approval of the ~~domiciliary insurance~~ commissioner ~~and the receivership court~~.

(d) The association's obligations with respect to coverage under any policy or contract of the impaired or insolvent insurer or under any reissued or alternative policy or contract shall cease on the date such coverage or policy or contract is replaced by another similar policy or contract by the policyholder or contract holder, the insured, the enrollee or the association.

(e) When proceeding under ~~paragraph (2) of~~ subsection (b)(2) with respect to any policy or contract carrying guaranteed minimum interest rates, the association shall assure the payment or crediting of a rate of interest consistent with subsection ~~(n)(3)~~ (o)(3).

(f) Nonpayment of premiums within 31 days after the date required under the terms of any guaranteed, assumed, alternative or reissued policy or contract or substitute coverage shall terminate the association's obligations under such policy, contract or coverage under this act with respect to such policy, contract or coverage, except with respect to any claims incurred or any net cash surrender value ~~which~~ that may be due in accordance with the provisions of this act.

(g) Premiums due after entry of an order of liquidation of an insolvent insurer shall belong to and be payable at the direction of the association, and the association shall be liable for unearned premiums due to ~~policy or contract owners~~ policyholders or contract holders arising after the entry of such order.

(h) The protection provided by this act shall not apply where any guaranty protection is provided to residents of this state by the laws of the domiciliary state or jurisdiction of the impaired or insolvent insurer other than this state.

(i) In carrying out its duties under subsection (b), the association may, subject to approval by a court in this state:

(1) Impose permanent policy or contract liens in connection with any guarantee, assumption or reinsurance agreement, if the association finds that the amounts ~~which~~ that can be assessed under this act are less than the amounts needed to assure full and prompt performance of the association's duties under this act, or that the economic or financial conditions as they affect member insurers are sufficiently adverse to render the imposition of such permanent policy or contract liens to be in the public interest; and

(2) impose temporary moratoriums or liens on payments of cash values and policy loans, or any other right to withdraw funds held in conjunction with policies or contracts, in addition to any contractual provisions for deferral of cash or policy loan value. In addition, in the event of a temporary moratorium or moratorium charge imposed by the receivership court on payment of cash values or policy loans or on any other right to withdraw funds held in conjunction with policies or contracts, out of the assets of the impaired or insolvent insurer, the association may defer the payment of cash values, policy loans or other rights by the association for the period of the

moratorium or moratorium charge imposed by the receivership court, except for claims covered by the association to be paid in accordance with a hardship procedure established by the liquidator or rehabilitator and approved by the receivership court.

(j) A deposit in this state, held pursuant to law or required by the commissioner for the benefit of creditors, including policyholders or contract holders, not turned over to the domiciliary liquidator upon the entry of a final order of liquidation or order approving a rehabilitation plan of a member insurer domiciled in this state or in a reciprocal state, pursuant to K.S.A. 40-222b, and amendments thereto, shall be promptly paid to the association. The association shall be entitled to retain a portion of any amount so paid equal to the percentage determined by dividing the aggregate amount of policyholders' or contract holders' claims related to that insolvency for which the association has provided statutory benefits by the aggregate amount of all policyholders' or contract holders' claims in this state related to that insolvency and shall remit to the domiciliary receiver the amount so paid to the association less the amount retained pursuant to this subsection. Any amount so paid to the association and retained by such association shall be treated as a distribution of estate assets pursuant to applicable state receivership law dealing with early access disbursements.

(k) If the association fails to act within a reasonable period of time as provided in subsections (b) and (c), the commissioner shall have the powers and duties of the association under this act with respect to impaired or insolvent insurers.

~~(k)~~(l) The association may render assistance and advice to the commissioner, upon request, concerning rehabilitation, payment of claims, continuance of coverage or the performance of other contractual obligations of any impaired or insolvent insurer.

~~(l)~~(m) (1) The association shall have standing to appear or intervene before any court in this state with jurisdiction over:

(A) An impaired or insolvent insurer concerning that which the association is or may become obligated under this act; or

(B) any person or property against which the association may have rights through subrogation or otherwise.

(2) Such standing shall extend to all matters germane to the powers and duties of the association, including, but not limited to, proposals for reinsuring, reissuing or guaranteeing the covered policies of the impaired or insolvent insurer and the determination of the covered policies or contracts and contractual obligations.

(3) The association shall also have the right to appear or intervene before a court in another state with jurisdiction over an impaired or insolvent insurer for which the association is or may become obligated or with jurisdiction over ~~a third party~~ any person or property against whom the association may have rights through subrogation ~~of the insurer's policyholders~~ or otherwise.

~~(m)~~(n) (1) Any person receiving benefits under this act shall be deemed to have assigned the rights under, and any cause of action relating to, the covered policy or contract to the association to the extent of the benefits received because of this act, whether the benefits are payments of or on account of contractual obligations, continuation of coverage or provision of substitute or alternative policies, contracts or coverages. The association may require an assignment to it of such rights and cause of action by any enrollee, payee, ~~policy or contract owner~~ policyholder, contract holder, beneficiary, insured or annuitant as a condition precedent to the receipt of any right or benefits conferred by this act upon such person.

(2) The subrogation rights of the association under this subsection shall have the same priority against the assets of the impaired or insolvent insurer as that possessed by the person entitled to receive benefits under this act.

(3) In addition to paragraphs (1) and (2), the association shall have all common-law rights of subrogation and any other equitable or legal remedy ~~which~~ that would have been available to the impaired or insolvent insurer or ~~holder of a policy~~ policyholder or contract holder, beneficiary, enrollee or payee of a policy or contract with respect to such policy or contracts, including, without limitation, in the case of a structured settlement annuity, any rights of the owner, beneficiary or payee of the annuity, to the extent of benefits received pursuant to this act, against a person originally or by succession responsible for the losses arising from the personal injury relating to the annuity or payment therefor, excepting any such person responsible solely by reason of serving as an assignee regarding a qualified assignment pursuant to 26 U.S.C. § 130.

(4) If the preceding provisions of this subsection are invalid or ineffective with respect to any person or claim for any reason, the amount payable by the association with respect to the related covered obligations shall be reduced by the amount realized by any other person with respect to the person or claim that is attributable to the policies or contracts, or portion thereof, covered by the association.

(5) If the association has provided benefits with respect to a covered obligation and a person recovers amounts as to which the association has rights as described in the preceding paragraphs of this subsection, then the person shall pay to the association the portion of the recovery attributable to the policies or contracts, or portion thereof, covered by the association.

~~(n)~~(o) ~~The contractual obligations of the impaired or insolvent insurer for which the association becomes, or may become, liable shall be as great as but no greater than the contractual obligations of the impaired or insolvent insurer would have been in the absence of an impairment or insolvency unless such obligations are reduced as permitted by this act but~~Except for subsection (p), the association shall not provide coverage for:

(1) Any portion of a policy or contract not guaranteed by the member insurer, or under which the risk is borne by the ~~policy~~ policyholder or contract holder;

(2) any policy or contract of reinsurance, unless assumption certificates have been issued;

(3) any portion of a policy or contract to the extent that the rate of interest on which it is based, or the interest rate, crediting rate or similar factor determined by use of an index or other external reference stated in the policy or contract employed in calculating returns or changes in value:

(A) Averaged over the period of four years prior to the date on which the association becomes obligated with respect to such policy or contract, exceeds a rate of interest determined by subtracting two percentage points from Moody's corporate bond yield average averaged for that same four-year period or for such lesser period if the policy or contract was issued less than four years before the association became obligated; and

(B) on and after the date on which the association becomes obligated with respect to such policy or contract, exceeds the rate of interest determined by subtracting three percentage points from Moody's corporate bond yield average as most recently available;

(4) any plan or program of an employer, association or similar entity to provide life, health or annuity benefits to its employees or members to the extent that such plan or program is self-funded or uninsured, including, but not limited to, benefits payable by an employer, association or similar entity under:

(A) A multiple employer welfare arrangement as defined in ~~section 3 (40) of the employee retirement income security act of 1974 (,29 U.S.C. § 1002(40))~~ 29 U.S.C. § 1144;

(B) a minimum premium group insurance plan;

(C) a stop-loss group insurance plan; or

(D) an administrative services only contract;

(5) any portion of a policy or contract to the extent that it provides dividends or experience rating credits, voting rights or provides that any fees or allowances be paid to any person, including the ~~policy~~ policyholder or contract holder, in connection with the service to or administration of such policy or contract;

(6) any policy or contract issued in this state by a member insurer at a time when it was not licensed or did not have a certificate of authority to issue such policy or contract in this state;

(7) any unallocated annuity contract, except as provided in ~~subsection (b) of~~ K.S.A. 40-3003, and amendments thereto;

(8) a portion of a policy or contract to the extent that the assessments required by K.S.A. 40-3009, and amendments thereto, with respect to the policy or contract are preempted by federal or state law;

(9) an obligation that does not arise under the express written terms of the policy or contract issued by the member insurer to the enrollee, certificate holder, contract holder or policyholder, including, without limitation:

(A) Claims based on marketing materials;

(B) claims based on side letters, riders or other documents that were issued by the member insurer without meeting applicable policy or contract form filling or approval requirements;

(C) misrepresentations of or regarding policy or contract benefits;

(D) extra contractual claims; or

(E) a claim for penalties or consequential or incidental damages;

(10) a contractual agreement that establishes the member insurer's obligations to provide a book value accounting guaranty for defined contribution benefit plan participants by reference to a portfolio of assets that is owned by the benefit plan or its trustee, and, in each case, is not an affiliate of the member insurer;

(11) a policy or contract providing any hospital, medical, prescription drug or other ~~health care~~ healthcare benefits pursuant to part C or part D of subchapter XVIII, chapter 7 of title 42 of the United States code ~~(~~, commonly known as medicare part C ~~&~~ and D~~)~~, or subchapter xix, chapter 7 of title 42 of the United States code, commonly known as medicaid, or any regulations issued pursuant thereto; ~~or~~

~~(9)~~(12) (A) any portion of a policy or contract:

(i) To the extent it provides for interest or other changes in value to be determined by the use of an index or other external reference stated in the policy or contract~~,~~ but which have not been credited to the policy or contract; or

(ii) as to which the ~~policy~~ policyholder or contract ~~owner's~~ holder's rights are subject to forfeiture, as of the date the member insurer becomes an impaired or

insolvent insurer under this act~~;~~, whichever is earlier.

(B) If a policy's or contract's interest or changes in value are credited less frequently than annually, then for purposes of determining the values that have been credited and ~~which~~ are not subject to forfeiture under this paragraph, the interest or change in value determined by using the procedures defined in the policy or contract shall be credited as if the contractual date of crediting interest or changing values was the date of impairment or insolvency, whichever is earlier, and shall not be subject to forfeiture; or

(13) structured settlement annuity benefits to which a payee or beneficiary has transferred such payee's or beneficiary's rights in a structured settlement factoring transaction, as defined in 26 U.S.C. § 5891(c)(3)(A), regardless of whether the transaction occurred before or after such section became effective.

(p) The exclusion from coverage reference in subsection (o)(3) shall not apply to any portion of a policy or contract, including a rider, that provides long-term care or any other health insurance benefits.

~~(o)~~(q) The benefits for which the association may become liable shall in no event exceed the lesser of:

(1) The contractual obligations for which the member insurer is liable or would have been liable if it were not an impaired or insolvent insurer; or

(2) with respect to any one life, regardless of the number of policies or contracts: (A) $300,000 in life insurance death benefits, but not more than $100,000 in net cash surrender and net cash withdrawal values for life insurance;

(B) ~~in~~for health insurance benefits:

(i) $100,000 for coverages not defined as disability income insurance or ~~basic hospital, medical and surgical insurance or major medical insurance~~ health benefit plans or long-term care insurance including any net cash surrender and net cash withdrawal values;

(ii) $300,000 for disability income insurance and $300,000 for long-term care insurance;

(iii) $500,000 for ~~basic hospital, medical and surgical insurance or major medical insurance~~ health benefit plans;

(C) $250,000 in the present value of annuity benefits, including net cash surrender and net cash withdrawal values;

(D) with respect to each payee of a structured settlement annuity ~~(~~or beneficiary or beneficiaries of the payee if deceased~~)~~, $250,000 in present value annuity benefits, in the aggregate, including net cash surrender and net cash withdrawal values;

(E) however, in no event shall the association be obligated to cover more than:

~~(1)~~(i) An aggregate of $300,000 in benefits with respect to any one life as provided in ~~paragraphs~~ subparagraphs (A), (B), (C) and (D) ~~of this subsection~~ except with respect to benefits for ~~basic hospital, medical and surgical insurance and major medical insurance~~ health benefit plans under ~~(o)~~ subsection (q)(2)(B)(iii) ~~of this subsection~~, in which case the aggregate liability of the association shall not exceed $500,000 with respect to any one individual; or

~~(2)~~(ii) with respect to one ~~owner~~ holder of multiple nongroup policies or contracts of life insurance, whether the ~~policy owner~~ policyholder or contract holder is an individual, firm, corporation or other person~~,~~ and whether the persons insured are officers, managers, employees or other persons, more than $5,000,000 in benefits,

regardless of the number of policies and contracts held by the ~~owner~~ policyholder or contract holder;

(F) the limitations set forth in this paragraph are limitations on the benefits for which the association is obligated before taking into account either its subrogation and assignment rights or the extent to which those benefits could be provided out of the assets of the impaired or insolvent insurer attributable to covered policies. The costs of the association's obligations under this act may be met by the use of assets attributable to covered policies or reimbursed to the association pursuant to its subrogation and assignment rights;

(G) the guaranty association's limits of liability with respect to the obligations of any impaired or insolvent insurer shall be the limits of liability in effect under this act on the date the guaranty association became liable for that impaired or insolvent insurer;

(H) for purposes of this act, benefits provided by a long-term care rider to a life insurance policy or annuity contract shall be considered the same type of benefits as the base life insurance policy or annuity contract to which it relates;

(I) in performing its obligations to provide coverage under this section, the association shall not be required to guarantee, assume, reinsure, reissue or perform, or cause to be guaranteed, assumed, reinsured, reissued or performed, the contractual obligations of the insolvent or impaired insurer under a covered policy or contract that do not materially affect the economic values or economic benefits of the covered policy or contract.

The provisions of subsection ~~(o)~~(q) shall not apply to annuity contracts for future economic loss procured pursuant to a judgment or settlement agreement in a medical malpractice liability action.

~~(p)~~(r) The association may:

(1) Enter into such contracts as are necessary or proper to carry out the provisions and purposes of this act;

(2) sue or be sued, including taking any legal actions necessary or proper to recover any unpaid assessments under K.S.A. 40-3009, and amendments thereto, and to settle claims or potential claims against it;

(3) borrow money to effect the purposes of this act. Any notes or other evidence of indebtedness of the association not in default shall be legal investments for domestic insurers and may be carried as admitted assets;

(4) employ or retain such persons as are necessary to handle the financial transactions of the association, and to perform such other functions as become necessary or proper under this act;

(5) take such legal action as may be necessary to avoid or recover payment of improper claims; or

(6) exercise, for the purposes of this act and to the extent approved by the commissioner, the powers of a domestic life ~~or~~ insurer, health insurer or health maintenance organization, but in no case may the association issue ~~insurance~~ policies or ~~annuity~~ contracts other than those issued to perform its obligations under this act;

(7) organize itself as a corporation or in other legal form permitted by the laws of the state;

(8) request information from a person seeking coverage from the association in order to aid the association in determining its obligations under this act with respect to the person, and such person shall promptly comply with the request;

(9) in accordance with the terms and conditions of the policy or contract, file for actuarially justified rate or premium increases for any policy or contract for which it provides coverage under this act; and

(10) take other necessary or appropriate action to discharge its duties and obligations under this act or to exercise its powers under this act.

~~(q)~~(s) The association may join an organization of one or more other state associations of similar purposes to further the purposes and administer the powers and duties of the association.

~~(r) The association shall pay any and all persons who, as a provider, may have claims as a result of a member insurer being found insolvent between March 1, 1999 and June 1, 1999.~~

(t) (1) (A) At any time within 180 days of the date of the order of liquidation, the association may elect to succeed to the rights and obligations of the ceding member insurer that relate to policies, contracts or annuities covered, in whole or in part, by the association, in each case under any one or more reinsurance contracts entered into by the insolvent insurer and its reinsurers and selected by the association. Any such assumption shall be effective as of the date of the order of liquidation. The election shall be effected by the association or the national organization of life and health insurance guaranty associations (NOLHGA), on its behalf, sending written notice with return receipt requested to the affected reinsurers.

(B) To facilitate the earliest practicable decision about whether to assume any of the contracts of reinsurance, and in order to protect the financial position of the estate, the receiver and each reinsurer of the ceding member insurer shall make available upon request to the association or to NOLHGA on its behalf as soon as possible after commencement of formal delinquency proceedings:

(i) Copies of in-force contracts of reinsurance and all related files and records relevant to the determination of whether such contracts should be assumed; and

(ii) notices of any defaults under the reinsurance contacts or any known event or condition that with the passage of time could become a default under the reinsurance contracts.

(C) The following subparagraphs shall apply to reinsurance contracts so assumed by the association:

(i) The association shall be responsible for all unpaid premiums due under the reinsurance contracts for periods both before and after the date of the order of liquidation and shall be responsible for the performance of all other obligations to be performed after the date of the order of liquidation, in each case relating to policies, contracts or annuities covered, in whole or in part, by the association. The association may charge policies, contracts or annuities covered in part by the association, through reasonable allocation methods, the costs for reinsurance in excess of the obligations of the association and shall provide notice and an accounting of these charges to the liquidator;

(ii) the association shall be entitled to any amounts payable by the reinsurer under the reinsurance contracts with respect to losses or events that occur in periods after the date of the order of liquidation and that relate to policies, contracts or annuities covered, in whole or in part, by the association, provided that, upon receipt of any such amounts, the association shall be obliged to pay to the beneficiary under the policy, contract or annuity on account of which the amounts were paid a portion of the amount equal to the

lesser of:

(a) The amount received by the association; and

(b) the excess of the amount received by the association over the amount equal to the benefits paid by the association on account of the policy, contract or annuity less the retention of the insurer applicable to the loss or event.

(iii) Within 30 days following the association's election, the "election date," the association and each reinsurer under contracts assumed by the association shall calculate the net balance due to or from the association under each reinsurance contract as of the election date with respect to policies, contracts or annuities covered, in whole or in part, by the association. Such calculation shall give full credit to all items paid by either the member insurer or its receiver or the reinsurer prior to the election date. The reinsurer shall pay the receiver any amounts due for losses or events prior to the date of the order of liquidation, subject to any set-off for premiums unpaid for periods prior to the date, and the association or reinsurer shall pay any remaining balance due the other, in each case within five days of the completion of the aforementioned calculation. Any disputes over the amounts due to either the association or the reinsurer shall be resolved by arbitration pursuant to the terms of the affected reinsurance contracts or, if the contract contains no arbitration clause, as otherwise provided by law. If the receiver has received any amounts due the association pursuant to subparagraph (C)(ii), the receiver shall remit such amounts to the association as promptly as practicable.

(iv) If the association or receiver, on the association's behalf, within 60 days of the election date, pays the unpaid premiums due for periods both before and after the election date that relate to policies, contracts or annuities covered, in whole or in part, by the association, the reinsurer shall not be entitled to terminate the reinsurance contracts for failure to pay premiums insofar as the reinsurance contracts relate to policies, contracts or annuities covered, in whole or in part, by the association, and shall not be entitled to set off any unpaid amounts due under other contracts or unpaid amounts due from parties other than the association against amounts due the association.

(2) During the period from the date of the order of liquidation until the election date, or, if the election date does not occur, until 180 days after the date of the order of liquidation:

(A) (i) Neither the association nor the reinsurer shall have any rights or obligations under reinsurance contracts that the association has the right to assume under paragraph (1), whether for periods prior to or after the date of the order of liquidation; and

(ii) the reinsurer, the receiver and the association shall, to the extent practicable, provide each other data and records reasonably requested;

(B) provided that once the association has elected to assume a reinsurance contract, the parties' rights and obligations shall be governed by paragraph (1).

(3) If the association does not elect to assume a reinsurance contract by the election date pursuant to paragraph (1), the association shall have no rights or obligations, in each case for periods both before and after the date of the order of liquidation, with respect to the reinsurance contract.

(4) When policies, contracts or annuities, or covered obligations with respect thereto are transferred to an assuming insurer, reinsurance on the policies, contracts or annuities may also be transferred by the association, in the case of contracts assumed under subsection (t)(1), subject to the following:

(A) Unless the reinsurer and the assuming insurer agree otherwise, the reinsurance contract transferred shall not cover any new policies of insurance, contracts or annuities in addition to those transferred;

(B) the obligations described in subsection (t)(1) shall no longer apply with respect to matters arising after the effective date of the transfer; and

(C) notice shall be given in writing, with return receipt requested, by the transferring party to the affected reinsurer not less than 30 days prior to the effective date of the transfer.

(5) The provisions of this subsection shall supersede the provisions of any state law or any affected reinsurance contract that provides for or requires any payment of reinsurance proceeds, on account of losses or events that occur in periods after the date of the order of liquidation, to the receiver of the insolvent insurer or any other person. The receiver shall remain entitled to any amounts payable by the reinsurer under the reinsurance contracts with respect to losses or events that occur in periods prior to the date of the order of liquidation, subject to applicable setoff provisions.

(6) Except as otherwise provided in this subsection, nothing in this subsection shall alter or modify the terms and conditions of any reinsurance contract. Nothing in this section shall abrogate or limit any rights of any reinsurer to claim that such reinsurer is entitled to rescind a reinsurance contract. Nothing in this section shall give a policyholder, contract owner, enrollee, certificate holder or beneficiary an independent cause of action against a reinsurer that is not otherwise set forth in the reinsurance contract. Nothing in this section shall limit or affect the association's rights as a creditor of the estate against the assets of the estate. Nothing in this section shall apply to reinsurance agreements covering property or casualty risks.

(u) The board of directors of the association shall have discretion and may exercise reasonable business judgment to determine the means by which the association is to provide the benefits of this act in an economical and efficient manner.

(v) Where the association has arranged or offered to provide the benefits of this act to a covered person under a plan or arrangement that fulfills the association's obligations under this act, the person shall not be entitled to benefits from the association in addition to or other than those provided under the plan or arrangement.

(w) Venue in a suit against the association arising under this act shall be in Shawnee County. The association shall not be required to give an appeal bond in an appeal that relates to a cause of action arising under this act.

~~(s) Regarding covered policies for which the association becomes obligated after an entry of an order of liquidation, to the extent such contract provides coverage for losses occurring after the date of the order of liquidation, the association may elect to succeed to the rights of the insolvent insurer arising after the order of liquidation under any contract of reinsurance to which the insolvent insurer was a party. As a condition to making such election, the association must pay all unpaid premiums due under the contract for coverage relating to periods before and after the date on which the order of liquidation was entered.~~

~~(t)~~(x) In carrying out its duties in connection with guaranteeing, assuming, reissuing or reinsuring policies or contracts under subsections (a) or (b), ~~subject to approval of the receivership court,~~ the association may issue substitute coverage for a policy or contract that provides an interest rate, crediting rate or similar factor determined by use of an index or other external reference stated in the policy or contract

employed in calculating returns or changes in value by issuing an alternative policy or contract in accordance with the following provisions:

(1) In lieu of the index or other external reference provided for in the original policy or contract, the alternative policy or contract provides for:

~~(i)~~(A) A fixed interest rate;

~~(ii)~~(B) payment of dividends with minimum guarantees; or

~~(iii)~~(C) a different method for calculating interest or changes in value.

(2) There is no requirement for evidence of insurability, waiting period or other exclusion that would not have applied under the replaced policy or contract; and

(3) the alternative policy or contract is substantially similar to the replaced policy or contract in all other material terms.

Sec. 12. K.S.A. 40-3009 is hereby amended to read as follows: 40-3009. (a) For the purpose of providing the funds necessary to carry out the powers and duties of the association, the board of directors shall assess the member insurers, separately for each account, at such time and for such amounts as the board finds necessary. Assessments shall be due not less than 30 days after prior written notice to the member insurers and shall accrue interest at 15% per annum on and after the due date.

(b) There shall be two classes of assessments, as follows: (1) Class A assessments shall be made for the purpose of meeting administrative and legal costs and other expenses and examinations conducted under the authority of subsection (e) of K.S.A. 40-3012, and amendments thereto. Class A assessments may be made whether or not related to a particular impaired or insolvent insurer.

(2) Class B assessments shall be made to the extent necessary to carry out the powers and duties of the association under K.S.A. 40-3008, and amendments thereto, with regard to an impaired or an insolvent insurer.

(c) (1) The amount of any class A assessment shall be determined by the board and may be made on a pro rata or non-pro rata basis. If pro rata, the board may provide that it be credited against future class B assessments. ~~A non-pro rata assessment shall not exceed $300 per member insurer in any one calendar year.~~ The amount of any class B assessment, except for assessments related to long-term care insurance, shall be allocated for assessment purposes among the accounts pursuant to an allocation formula ~~which~~ that may be based on the premiums or reserves of the impaired or insolvent insurer or any other standard deemed by the board in its sole discretion as being fair and reasonable under the circumstances.

(2) The amount of the class B assessment for long-term care insurance written by the impaired or insolvent insurer shall be allocated according to a methodology included in the plan of operation and approved by the commissioner. The methodology shall provide for 50% of the assessment to be allocated to accident and health member insurers and 50% to be allocated to life and annuity member insurers.

(3) Class B assessments against member insurers for each account shall be in the proportion that the premiums received on business in this state by each assessed member insurer on policies or contracts covered by each account for the three most recent calendar years for which information is available preceding the year in which the member insurer became impaired or insolvent, as the case may be, bears to such premiums received on business in this state for such calendar years by all assessed member insurers.

~~(3)~~(4) Assessments for funds to meet the requirements of the association with

respect to an impaired or insolvent insurer shall not be made until necessary to implement the purposes of this act. Classification of assessments under subsection (b) and computation of assessments under this subsection shall be made with a reasonable degree of accuracy, recognizing that exact determinations may not always be possible.

(d) The association may abate or defer, in whole or in part, the assessment of a member insurer if, in the opinion of the board, payment of the assessment would endanger the ability of the member insurer to fulfill its contractual obligations. In the event an assessment against a member insurer is abated, or deferred in whole or in part, the amount by which such assessment is abated or deferred may be assessed against the other member insurers in a manner consistent with the basis for assessments set forth in this section. Once the conditions that caused a deferral have been removed or rectified, the member insurer shall pay all assessments that were deferred pursuant to a repayment plan approved by the association.

(e) (1) The total of all assessments upon a member insurer for each account shall not in any one calendar year exceed 2% of such member insurer's average premiums received in this state on the policies and contracts covered by the account during the three calendar years preceding the years in which the member insurer became an impaired or insolvent insurer.

(2) If two or more assessments are authorized in one calendar year with respect to member insurers that become impaired or insolvent in different calendar years, the average annual premiums for purposes of the aggregate assessment percentage limitation referenced in this subsection shall be equal and limited to the higher of the three-year average annual premiums for the applicable account as calculated pursuant to this section.

(3) If the maximum assessment, together with the other assets of the association in any account does not provide in any one year in either account an amount sufficient to carry out the responsibilities of the association, the necessary additional funds shall be assessed as soon thereafter as permitted by this act.

(4) The board may provide in the plan of operation a method of allocating funds among claims, whether relating to one or more impaired or insolvent insurers, when the maximum assessment will be insufficient to cover anticipated claims.

(f) The board, by an equitable method as established in the plan of operation, may refund to member insurers, in proportion to the contribution of each insurer to that account, the amount by which the assets of the account exceed the amount the board finds is necessary to carry out during the coming year the obligations of the association with regard to that account, including assets accruing from assignment, subrogation, net realized gains and income from investments. A reasonable amount may be retained in any account to provide funds for the continuing expenses of the association and for future losses.

(g) It shall be proper for any member insurer, in determining its premium rates and ~~policyowner~~ policyholder or contract holder dividends as to any kind of insurance or health maintenance organization business within the scope of this act, to consider the amount reasonably necessary to meet its assessment obligations under this act.

(h) The association shall issue to each member insurer paying an assessment under this act, other than a class A assessment, a certificate of contribution, in a form prescribed by the commissioner, for the amount of the assessment paid. All outstanding certificates shall be of equal dignity and priority without reference to amounts or dates

of issue. A certificate of contribution may be shown by the member insurer in its financial statement as an asset in such form and for such amount, if any, and period of time as the commissioner may approve.

(i) (1) A member insurer that wishes to protest all or part of an assessment shall pay, when due, the full amount of the assessment as set forth in the notice provided by the association. The payment shall be available to meet association obligations during the pendency of the protest or any subsequent appeal. Payment shall be accompanied by a written statement that the payment is made under protest and shall set forth a brief statement of the grounds for the protest.

(2) Within 60 days following the payment of an assessment under protest by a member insurer, the association shall notify the member insurer, in writing, of its determination with respect to the protest unless the association notifies the member insurer that additional time is required to resolve the issues raised by the protest.

(3) Within 30 days after a final decision has been made, the association shall notify the protesting member insurer in writing of that final decision. Within 60 days of receipt of notice of the final decision, the protesting member insurer may appeal that final action to the commissioner.

(4) As an alternative to rendering a final decision with respect to a protest based on a question regarding the assessment base, the association may refer protests to the commissioner for a final decision, with or without a recommendation from the association.

(5) If the protest or appeal on the assessment is upheld, the amount paid in error or excess shall be returned to the member insurer. Interest on a refund due a protesting member insurer shall be paid at the rate actually earned by the association.

(j) The association may request information of member insurers in order to aid in the exercise of its power under this section, and member insurers shall promptly comply with a request.

Sec. 13. K.S.A. 40-3010 is hereby amended to read as follows: 40-3010. (a) (1) The association shall submit to the commissioner a plan of operation and any amendments thereto necessary or suitable to assure the fair, reasonable and equitable administration of the association. The plan of operation and any amendments thereto shall become effective upon the commissioner's written approval or unless the commissioner has not disapproved it within 30 days.

(2) If the association fails to submit a suitable plan of operation within 120 days following the effective date of this act, or, if at any time thereafter the association fails to submit suitable amendments to the plan, the commissioner, after notice and hearing, shall adopt and promulgate such reasonable rules and regulations as are necessary or advisable to effectuate the provisions of this act. Such rules and regulations shall continue in force until modified by the commissioner or superseded by a plan submitted by the association and approved by the commissioner.

(b) All member insurers shall comply with the plan of operation.

(c) The plan of operation shall, in addition to requirements enumerated elsewhere in this act:

(1) Establish procedures for handling the assets of the association;

(2) establish the amount and method of reimbursing members of the board of directors under K.S.A. 40-3007, and amendments thereto;

(3) establish regular places and times for meetings, including telephone conference

calls, of the board of directors;

(4) establish procedures for records to be kept of all financial transactions of the association, its agents and the board of directors;

(5) establish the procedures whereby selections for the board of directors will be made and submitted to the commissioner;

(6) establish any additional procedures for assessments under K.S.A. 40-3009, and amendments thereto; ~~and~~

(7) contain additional provisions necessary or proper for the execution of the powers and duties of the association;

(8) establish procedures whereby a director may be removed for cause, including in the case where a member insurer director becomes an impaired or insolvent insurer; and

(9) require the board of directors to establish a policy and procedures for addressing conflicts of interests.

(d) The plan of operation may provide that any or all powers and duties of the association, except those under ~~subsection (p)(3) of~~ K.S.A. 40-3008 and 40-3009, and amendments thereto, are delegated to a corporation, association or other organization ~~which~~ that performs or will perform functions similar to those of this association, or its equivalent, in two or more states. Such a corporation, association or organization shall be reimbursed for any payments made on behalf of the association and shall be paid for its performance of any function of the association. A delegation under this subsection shall take effect only with the approval of both the board of directors and the commissioner, and may be made only to a corporation, association or organization ~~which~~ that extends protection not substantially less favorable and effective than that provided by this act.

Sec. 14. K.S.A. 40-3011 is hereby amended to read as follows: 40-3011. In addition to the duties and powers enumerated in this act:

(a) The commissioner shall:

(1) Upon request of the board of directors, provide the association with a statement of the premiums in this and any other appropriate state for each member insurer;

(2) when an impairment is declared and the amount of the impairment is determined, serve a demand upon the impaired insurer to make good the impairment within a reasonable time; notice to the impaired insurer shall constitute notice to its shareholders, if any; the failure of the impaired insurer to promptly comply with such demand shall not excuse the association from the performance of its powers and duties under this act;

(3) in any liquidation or rehabilitation proceeding involving a domestic insurer, be appointed as the liquidator or rehabilitator.

(b) The commissioner may suspend or revoke, after notice and hearing in accordance with the provisions of the Kansas administrative procedure act, the certificate of authority to transact insurance business in this state of any member insurer ~~which~~ that fails to pay an assessment when due or fails to comply with the plan of operation. As an alternative the commissioner may levy a forfeiture on any member insurer ~~which~~ that fails to pay an assessment when due. Such forfeiture shall not exceed 5% of the unpaid assessment per month, but ~~no~~ a forfeiture shall be not less than $100 per month.

(c) Any final action of the board of directors or the association may be appealed to the commissioner by any member insurer if such appeal is taken within 60 days of the

final action being appealed. ~~If a member company is appealing an assessment, the amount assessed shall be paid to the association and available to meet association obligations during the pendancy of an appeal. If the appeal on the assessment is upheld, the amount paid in error shall be returned to the member insurer~~ A final action or order of the commissioner shall be subject to judicial review in a court of competent jurisdiction in accordance with the laws of this state that apply to the actions or orders of the commissioner.

(d) The liquidator, rehabilitator or conservator of any impaired insurer may notify all interested persons of the effect of this act.

Sec. 15. K.S.A. 40-3012 is hereby amended to read as follows: 40-3012. To aid in the detection and prevention of member insurer impairments or insolvencies:

(a) It shall be the duty of the commissioner to:

(1) Notify the commissioners of all other states, territories of the United States and the District of Columbia when the commissioner takes any of the following actions against a member insurer:

(A) Revocation of license or certificate of authority;

(B) suspension of license or certificate of authority; or

(C) makes any formal order that such ~~company~~ member insurer restricts its premium writing, obtain additional contributions to surplus, withdraw from the state, reinsure all or any part of its business, or increase capital, surplus or any other account for the security of policyholders, contract holders, certificate holders or creditors.

Such notice shall be mailed to all commissioners within 30 days following the action taken or the date on which such action occurs;

(2) report to the board of directors when the commissioner has taken any of the actions set forth in paragraph (1) ~~of this subsection~~ or has received a report from any other commissioner indicating that any such action has been taken in another state. Such report to the board of directors shall contain all significant details of the action taken or the report received from another commissioner;

(3) report to the board of directors when the commissioner has reasonable cause to believe from any examination, whether completed or in process, of any member company that such ~~company~~ member insurer may be an impaired or insolvent insurer. Such report and information shall be kept confidential by the board of directors until such time as made public by the commissioner or other lawful authority;

(4) furnish to the board of directors the national association of insurance commissioners' insurance regulatory information system ratios and listings of companies not included in the ratios developed by the national association of insurance commissioners, and the board may use the information contained therein in carrying out its duties and responsibilities under this section. Such report and the information contained therein shall be kept confidential by the board of directors until such time as made public by the commissioner or other lawful authority.

(b) The commissioner may seek the advice and recommendations of the board of directors concerning any matter affecting the commissioner's duties and responsibilities regarding the financial condition of member insurers and ~~companies~~ health maintenance organization seeking admission to transact ~~insurance~~ business in this state.

(c) The board of directors, upon majority vote, may make reports and recommendations to the commissioner upon any matter germane to the solvency, liquidation, rehabilitation or conservation of any member insurer or germane to the

solvency of any ~~company~~ insurer or health maintenance organization seeking to do ~~any insurance~~ business in this state. Such reports and recommendations shall not be considered public documents.

(d) It shall be the duty of the board of directors, upon majority vote, to notify the commissioner of any information indicating any member insurer may be an impaired or insolvent insurer.

~~(e) The board of directors, upon majority vote, may request that the commissioner order an examination of any member insurer which the board in good faith believes may be an impaired or insolvent insurer. The examination may be conducted as a national association of insurance commissioners' examination or may be conducted by such persons as the commissioner designates. The cost of such examination shall be paid by the association and the examination report shall be treated as are other examination reports. In no event shall such examination report be released to the board of directors prior to its release to the public, but this shall not preclude the commissioner from complying with subsection (a).~~

~~The commissioner shall notify the board of directors when the examination is completed. The request for an examination shall be kept on file by the commissioner but it shall not be open to public inspection prior to the release of the examination report to the public.~~

~~(f)~~ The board of directors, upon majority vote, may make recommendations to the commissioner for the detection and prevention of member insurer insolvencies.

~~(g) The board of directors, at the conclusion of any insurer insolvency in which the association was obligated to pay covered claims, shall prepare a report to the commissioner containing such information as it may have in its possession bearing on the history and causes of such insolvency. The board shall cooperate with the board of directors of guaranty associations in other states in preparing a report on the history and causes of insolvency of a particular insurer and may adopt, by reference, any report prepared by such other associations.~~

Sec. 16. K.S.A. 40-3013 is hereby amended to read as follows: 40-3013. (a) Nothing in this act shall be construed to reduce the liability for unpaid assessments of the insureds or enrollees of an impaired or insolvent insurer operating under a plan with assessment liability.

(b) Records shall be kept of all negotiations and meetings in which the association or its representatives are involved to discuss the activities of the association in carrying out its powers and duties under K.S.A. 40-3008, and amendments thereto. Records of such negotiations or meetings shall be made public only upon the termination of a liquidation, rehabilitation or conservation proceeding involving the impaired or insolvent insurer, upon the termination of the impairment or insolvency of the member insurer, or upon the order of a court of competent jurisdiction. Nothing in this subsection shall limit the duty of the association to render a report of its activities under K.S.A. 40-3014, and amendments thereto.

(c) For the purpose of carrying out its obligations under this act, the association shall be deemed to be a creditor of the impaired or insolvent insurer to the extent of assets attributable to covered policies reduced by any amounts to which the association is entitled as subrogee pursuant to ~~subsection (l) of~~ K.S.A. 40-3008, and amendments thereto. Assets of the impaired or insolvent insurer attributable to covered policies shall be used to continue all covered policies and pay all contractual obligations of the

impaired or insolvent insurer as required by this act. Assets attributable to covered policies or contracts, as used in this subsection, are that proportion of the assets ~~which~~ that the reserves that should have been established for such policies or contracts bear to the reserve that should have been established for all policies or contracts of insurance or health benefit plans written by the impaired or insolvent insurer.

(d) As a creditor of the impaired or insolvent insurer, as established in subsection (c) and consistent with K.S.A. 40-3635, and amendments thereto, the association and other similar associations shall be entitled to receive a disbursement of assets out of the marshaled assets, from time to time as the assets become available to reimburse it, as a credit against contractual obligations under this act. If the liquidator has not, within 120 days of a final determination of insolvency of a member insurer by the receivership court, made an application to the court for the approval of a proposal to disburse assets out of marshaled assets to guaranty associations having obligations because of the insolvency, then the association shall be entitled to make application to the receivership court for approval of its own proposal to disburse these assets.

(e) (1) Prior to the termination of any liquidation, rehabilitation, or conservation proceeding, the court may take into consideration the contributions of the respective parties, including the association, the shareholders ~~and policyowners~~, policyholders, contract holders, certificate holders and enrollees of the insolvent insurer, and any other party with a bona fide interest, in making an equitable distribution of the ownership rights of such insolvent insurer. In such a determination, consideration shall be given to the welfare of the policyholders, contract holders, certificate holders and enrollees of the continuing or successor member insurer.

(2) No distribution to stockholders, if any, of an impaired or insolvent insurer shall be made until and unless the total amount of valid claims of the association with interest thereon for funds expended in carrying out its powers and duties under K.S.A. 40-3008, and amendments thereto, with respect to such member insurer have been fully recovered by the association.

~~(e)~~(f) (1) If an order for liquidation or rehabilitation of ~~an~~ a member insurer domiciled in this state has been entered, the receiver appointed under such order shall have a right to recover on behalf of the member insurer, from any affiliate that controlled it, the amount of distributions, other than stock dividends paid by the member insurer on its capital stock, made at any time during the five years preceding the petition for liquidation or rehabilitation subject to the limitations of ~~subsections~~ paragraphs (2) ~~to~~ through (4)~~, inclusive~~.

(2) No such distribution shall be recoverable if the member insurer shows that when paid the distribution was lawful and reasonable, and that the member insurer did not know and could not reasonably have known that the distribution might adversely affect the ability of the member insurer to fulfill its contractual obligations.

(3) Any person who was an affiliate that controlled the member insurer at the time the distributions were paid shall be liable up to the amount of distributions such person received. Any person who was an affiliate that controlled the member insurer at the time the distributions were declared, shall be liable up to the amount of distributions such person would have received if such person had been paid immediately. If two or more persons are liable with respect to the same distributions, such person shall be jointly and severally liable.

(4) The maximum amount recoverable under this subsection shall be the amount

needed in excess of all other available assets of the insolvent insurer to pay the contractual obligations of the insolvent insurer.

(5) If any person liable under ~~subsection~~ paragraph (3) is insolvent, all its affiliates that controlled it at the time the distribution was paid, shall be jointly and severally liable for any resulting deficiency in the amount recovered from the insolvent affiliate.

Sec. 17. K.S.A. 40-3013a is hereby amended to read as follows: 40-3013a. (a) No person, including ~~an~~ a member insurer, agent or affiliate of ~~an~~ a member insurer shall make, publish, disseminate, circulate or place before the public, or cause directly or indirectly, to be made, published, disseminated, circulated or placed before the public, in any newspaper, magazine or other publication, or in the form of a notice, circular, pamphlet, letter or poster, or over any radio station or television station, or in any other way, any advertisement, announcement or statement, written or oral, which uses the existence of the insurance guaranty association of this state for the purpose of sales, solicitation or inducement to purchase any form of insurance or other coverage covered by the Kansas life and health insurance guaranty association act. This section shall not apply to the Kansas life and health insurance guaranty association or any other entity ~~which~~ that does not sell or solicit insurance or coverage by a health maintenance organization.

(b) Within 180 days of the effective date of this act, the association shall prepare a summary document describing the general purposes and current limitations of this act in complying with subsection (c). This summary document ~~should~~ shall be submitted to the commissioner for approval. Sixty days after receiving such approval, no member insurer may deliver a policy or contract ~~described in subsection (b) of K.S.A. 40-3003, and amendments thereto,~~ to a ~~policy or~~ policyholder, contract holder, certificate holder or enrollee unless the summary document is delivered to the ~~policy or~~ policyholder, contract holder ~~prior to or~~, certificate holder or enrollee at the time of delivery of the policy or contract ~~except if subsection (d) applies~~. The summary document ~~should~~ shall also be available upon request by a policyholder, contract holder, certificate holder or enrollee. The distribution, delivery or contents or interpretation of this summary document shall not mean that either the policy or the contract or the policyholder, contract holder, certificate holder or enrollee thereof would be covered in the event of the impairment or insolvency of a member insurer. The ~~description~~ summary document shall be revised by the association as amendments to this act may require. Failure to receive this document does not give the policyholder, contract holder, certificate holder, enrollee or insured any greater rights than those stated in this act.

(c) The summary document prepared under subsection (b) shall contain a clear and conspicuous disclaimer on its face. The commissioner shall promulgate a rule establishing the form and content of the disclaimer. The disclaimer shall:

(1) State the name and address of the life and health insurance guaranty association and insurance department;

(2) prominently warn the ~~policy or~~ policyholder, contract holder, certificate holder or enrollee that the life and health insurance guaranty association may not cover the policy or contract or, if coverage is available, it will be subject to substantial limitations, exclusions and conditioned on continued residence in the state;

(3) state the types of policies or contracts for which guaranty funds will provide coverage;

(4) state that the member insurer and its agents are prohibited by law from using

the existence of the life and health insurance guaranty association for the purpose of sales, solicitation or inducement to purchase any form of insurance or health maintenance organization coverage;

~~(4)~~(5) ~~emphasize~~state that the ~~policy or~~ policyholder, contract holder, certificate holder or enrollee should not rely on coverage under the life and health insurance guaranty association when selecting an insurer~~; and~~ or health maintenance organization;

(6) explain rights available and procedures for filing a complaint to allege a violation of any provisions of this act; and

~~(5)~~(7) provide other information as directed by the commissioner, including, but not limited to, sources for information about the financial condition of insurers, provided that the information is not proprietary and is subject to disclosure under that state's public records law.

(d) ~~No insurer or agent may deliver a policy or contract described in subsection (b) of K.S.A. 40-3003, and amendments thereto, and excluded under subsection (n)(1) of K.S.A. 40-3008, and amendments thereto, from coverage under this act unless the insurer or agent, prior to or at the time of delivery, gives the policy or contract holder a separate written notice which clearly and conspicuously discloses that the policy or contract is not covered by the life and health insurance guaranty association. The commissioner, by rule, shall specify the form and content of the notice~~A member insurer shall retain evidence of compliance with subsection (b) for so long as the policy or contract for which the notice is given remains in effect.

Sec. 18. K.S.A. 40-3016 is hereby amended to read as follows: 40-3016. (a) Unless a longer period has been allowed by the commissioner, a member insurer shall at its option have the right to show a certificate of contribution as an asset in the form approved by the commissioner pursuant to ~~subsection (h) of~~ K.S.A. 40-3009, and amendments thereto, at percentages of the original face amount approved by the commissioner, for calendar years as follows:

(1) ~~One hundred percent~~100% for the calendar year of issuance;

(2) ~~eighty percent~~80% for the first calendar year after the year of issuance;

(3) ~~sixty percent~~60% for the second calendar year after the year of issuance;

(4) ~~forty percent~~40% for the third calendar year after the year of issuance;

(5) ~~twenty percent~~20% for the fourth calendar year after the year of issuance.

(b) The member insurer may offset the amount written off by it in a calendar year under subsection (a) ~~above~~, against its premium tax liability to this state accrued with respect to business transacted in such year.

(c) A member insurer that is exempt from taxes referenced in subsection (a) may recoup its assessments by a surcharge on its premiums in a sum reasonably calculated to recoup the assessments over a reasonable period of time, as approved by the commissioner. Amounts recouped shall not be considered premiums for any other purpose, including the computation of gross premium tax, the medical loss ratio, or agent commission. If a member insurer collects excess surcharges, the member insurer shall remit the excess amount to the association, and the excess amount shall be applied to reduce future assessments in the appropriate account.

(d) Any sums acquired by refund, pursuant to ~~subsection (f) of~~ K.S.A. 40-3009, and amendments thereto, from the association ~~which~~ that have theretofore been written off by contributing member insurers and offset against premium taxes as provided in subsection (b) ~~above~~, and ~~is~~ are not then needed for purposes of this act, shall be paid

by the association to the commissioner and the commissioner shall remit such moneys to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the state general fund.

Sec. 19. K.S.A. 40-3018 is hereby amended to read as follows: 40-3018. All proceedings in which the impaired or insolvent insurer is a party in any court in this state shall be stayed ~~60~~ 180 days from the date an order of liquidation, rehabilitation or conservation is final to permit proper legal action by the association on any matters germane to its powers or duties. As to a judgment under any decision, order, verdict or finding based on default the association may apply to have such judgment set aside by the same court that made such judgment and shall be permitted to defend against such suit on the merits.";

Also on page 6, in line 43, by striking "and" and inserting a comma; also in line 43, after "40-2910" by inserting ", 40-3002, 40-3003, 40-3004, 40-3005, 40-3006, 40-3007, 40-3008, 40-3009, 40-3010, 40-3011, 40-3012, 40-3013, 40-3013a, 40-3016 and 40-3018";

On page 7, in line 3, by striking "Kansas register" and inserting "statute book";

And by renumbering sections accordingly;

On page 1, in the title, in line 1, by striking "property and casualty"; in line 2, after "act" by inserting "and the Kansas life and health insurance guaranty association"; in line 5, after the semicolon by inserting "including health maintenance organization as member insurers; broadening the assessment base for long-term care insolvencies;"; in line 8, by striking the first "and" and inserting a comma; also in line 8, after "40-2910" by inserting ", 40-3002, 40-3003, 40-3005, 40-3006, 40-3007, 40-3008, 40-3009, 40-3010, 40-3011, 40-3012, 40-3013, 40-3013a, 40-3016 and 40-3018"; in line 9, after "sections" by inserting "; also repealing K.S.A. 40-3004";

And your committee on conference recommends the adoption of this report.

JEFF LONGBINE
MICHAEL FAGG
CINDY HOLSCHER
Conferees on part of Senate

WILLIAM SUTTON
PATRICK PENN
CINDY NEIGHBOR
Conferees on part of House

Senator Longbine moved the Senate adopt the Conference Committee Report on **HB 2787**.

On roll call, the vote was: Yeas 39; Nays 0; Present and Passing 0; Absent or Not Voting 1.

Yeas: Alley, Baumgardner, Billinger, Blasi, Bowers, Claeys, Corson, Dietrich, Doll, Erickson, Fagg, Faust-Goudeau, Francisco, Gossage, Haley, Holland, Holscher, Kerschen, Kloos, Longbine, Masterson, McGinn, O'Shea, Olson, Peck, Petersen, Pettey, Pittman, Pyle, Reddi, Shallenburger, Steffen, Straub, Sykes, Thompson, Tyson, Ware, Warren, Wilborn.

Absent or Not Voting: Ryckman.

The Conference Committee Report was adopted.

CHANGE OF CONFERENCE

Senators Erickson, Dietrich, and Sykes are appointed to replace Senators Longbine, Fagg, and Holscher as members of the conference committee on **SB 19**.

Senators Peck, Claeys, and Holland are appointed to replace Senators Longbine, Fagg, and Holscher as members of the conference committee on **HB 2097**.

REPORT ON ENROLLED BILLS AND RESOLUTIONS

SR 1750, SR 1751, SR 1752, SR 1753 reported correctly enrolled, properly signed and presented to the Secretary of the Senate on April 4, 2024.

On motion of Senator Alley, the Senate adjourned until 10:00 a.m., Friday, April 5, 2024.

CHARLENE BAILEY, CINDY SHEPARD, *Journal Clerks.*

COREY CARNAHAN, *Secretary of the Senate.*

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